



**Year 2023 Annual General Meeting of Shareholders**

## **Meeting Handbook**

**Meeting Type: Physical Shareholders Meeting**

**Time: June 6, 2023 (Tuesday) at 9:00 a.m.**

**Place: 4F., No. 1, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City**

**110, Taiwan (R.O.C.)**

**(Taipei International Convention Center 4F VIP Hall)**

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# **TPK Holding Co., Ltd.**

## **Meeting Procedures**

1. Commencement of the Meeting  
(Announce a quorum is present and commencement of the meeting)
2. Chairman's Statement
3. Matters to Report
4. Matters for Approval
5. Matters for Discussion
6. Ad Hoc Motions
7. Meeting Adjourned

# **TPK Holding Co., Ltd.**

## **Agenda of Year 2023 Annual General Meeting of Shareholders**

Time: June 6, 2023 (Tuesday) at 9:00 a.m.

Place: 4F., No. 1, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)

(Taipei International Convention Center 4F VIP Hall)

### **1. Commencement of the Meeting**

### **2. Chairman's Statement**

### **3. Matters to Report**

- (1) 2022 Business Report
- (2) Audit Committee's Review Report on 2022 Financial Statements
- (3) The distribution of employees' and directors' compensation of 2022
- (4) To amend the Rules of Board Meeting Procedures

### **4. Matters for Approval**

- (1) To approve 2022 Business Report and Consolidated Financial Statements
- (2) To approve the Proposal for 2022 Profit Distribution

### **5. Matters for Discussion**

- (1) To amend the Amended and Restated Memorandum of Association and Articles of Association
- (2) To amend the Rules of Shareholders' Meeting Procedures

### **6. Ad Hoc Motions**

### **7. Meeting Adjourned**

## **Matters to Report**

### **1. 2022 Business Report**

Description: The 2022 Business Report is attached as Exhibit 1 (pages 8-12).

### **2. Audit Committee's Review Report on 2022 Financial Statements**

Description: The Audit Committee's Review Report on 2022 Financial Statements is attached as Exhibit 2 (page 13).

### **3. The distribution of employees' and directors' compensation of 2022**

Description:

- (1) The Company's 2022 net profit after tax is USD 19,109,449. According to Article 34.1 of the Company's Articles of Association, the company shall reserve an amount no less than 0.1% as employees' compensation and no more than 2% as Directors' compensation.
- (2) Considering the Company's operating results above, the employees and directors compensation distribution proposal for 2022 was resolved by the board meeting on March 8, 2023 as follows:
  - A. To distribute 1.02% of the Company's 2022 net profit after tax as employees' compensation, and the total amount is USD200,000. It will be distributed by way of cash; employees entitled to the compensation include those of the Company's Subsidiaries who meet certain qualifications.
  - B. To distribute 1.47% of the Company's 2022 net profit after tax as Directors' compensation, and the total amount is USD288,000. It will be distributed by way of cash.

### **4. To amend the Rules of Board Meeting Procedures**

Descriptions: To comply with the laws and regulations of the Taiwan competent authorities and to accommodate the Company's actual operational needs, it is proposed to amend the Rules of Board Meeting Procedures. The comparison table of amendments to the Rules of Board Meeting Procedures is attached as Exhibit 5 (pages 25-26).

## **Matters for Approval**

### **Item 1: To approve 2022 Business Report and Consolidated Financial Statements. (Proposed by the Board of Directors)**

#### Descriptions:

- (1) The 2022 Consolidated Financial Statements, including consolidated balance sheet, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Company along with the Business Report have been submitted to the Audit Committee for review and approval and the Audit Committee has issued its Review Report accordingly. The above Consolidated Financial Statements have been audited by independent auditors Chuang, Pi-Yu and Kuo, Tzu-Jung of Deloitte & Touche.
- (2) Please refer to Exhibits 1 (pages 8-12) and 3 (pages 14-23) for the 2022 Business Report, Independent Auditors' Report and the Consolidated Financial Statements.
- (3) Please resolve.

#### Resolution:

### **Item 2: To approve the Proposal for 2022 Profit Distribution. (Proposed by the Board of Directors)**

#### Descriptions:

- (1) The Company's 2022 net profit after tax is USD 19,109,449. After setting aside legal reserve USD 1,910,945 and special reserve USD 67,358,131, adding the remeasurement of defined benefit plan recognized in retained earnings in the amount of USD 66,103, considering the unappropriated retained earnings of previous year of USD 70,898,419, the total amount of retained earnings available for distribution is USD 20,804,895. The Company proposes to distribute earnings in the amount of NTD 203,331,880 and in form of cash dividend per share of NTD 0.5. The amount of earnings proposed to be distributed shall be approximately USD 6,769,831 at the exchange rate of NTD 30.035 to USD 1 on January 31, 2023 ; Provided that the exact amount of cash dividend denominated in USD will be calculated based upon the average spot rates for buying and selling published by the Bank of Taiwan between NTD and USD on the business day immediately prior to the date of the general meeting. Please see Exhibit 4 (pages 24) as attached.

- (2) Record date for paying cash dividends : Upon the approval of the general meeting, it is proposed to authorize the Board of Directors to determine the ex-dividend date.
- (3) Please resolve.

Resolution:

## **Matters for Discussion**

### **Item 1: To amend the Amended and Restated Memorandum of Association and Articles of Association. (Proposed by the Board of Directors)**

Descriptions:

- (1) To comply with requirements under the "Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation", as amended by the ruling of Taiwan Stock Exchange dated January 9, 2023 (Tai-Zheng-Shang-2 No. 11117043011) and the laws and regulations of the Taiwan competent authorities, and to accommodate the Company's actual operational needs, it is proposed to amend the Amended and Restated Memorandum of Association and Articles of Association. The comparison table of amendments to the Amended and Restated Memorandum of Association and Articles of Association is attached as Exhibit 6 (pages 27-30).
- (2) New Amended and Restated Memorandum of Association and Articles of Association shall replace the current one.
- (3) The above is proposed to the shareholders meeting to resolve by a Special Resolution.

Resolution:

### **Item 2: To amend the Rules of Shareholders' Meeting Procedures. (Proposed by the Board of Directors)**

Descriptions:

- (1) To comply with the laws and regulations of the Taiwan competent authorities and to accommodate the Company's actual operational needs, it is proposed to amend the Rules of Shareholders' Meeting Procedures. The comparison table of amendments to the Rules of Shareholders' Meeting Procedures is attached as Exhibit 7 (pages 31-49).
- (2) Please resolve.

Resolution:

## **Ad Hoc Motions**

## **Meeting Adjourned**



# **Exhibit**

**TPK Holding Co., Ltd.****Business Report**

In 2022, the global economy are still impacted by the COVID-19 pandemic and continued conflicts in Ukraine and Russia. In addition, the overall economy had not yet recovered, and the pressure of high inflation led the consuming power weakened. The inventory level of consumer electronics products gradually increased, causing related supply chain manufacturers to suffer setbacks, resulting in shipping delays or stagnation. Furthermore, with the Fed's consecutive interest rate hikes, global tech giants faced the dual pressures of the market demand and capital needs, and even implemented layoffs to reduce operating costs. Despite the unfavorable market conditions, the company actively adopted management strategies to improve the synergy and production efficiency of the group. With the best efforts of all employees, it executed efficient production, strict inventory control, and actively optimized costs. Although the annual revenue has decreased in 2022, the operating income is more profitable than the year before.

Looking forward to 2023, the COVID-19 pandemic is expected to be under control, and countries around the world are gradually lifting their quarantine policies and opening up. The global transportation network is also gradually returning to normal. However, the demand for consumer markets after the pandemic has not yet fully recovered. The company will continue to implement lean operations and adhere to innovative development, strengthen TPK's core competitiveness, keep up with market trends and grasp the new growth momentum. Meanwhile, TPK will work with existing customers to enhance the value of next-generation products and develop more state-of-the-art products for new customers. At the same time, the company will continue to explore new businesses, build up more connections with high-quality customers, expand the network of working partners, and strive for business growth and sustainable development.

**Review of 2022 Company Strategy**

Since the second half of 2022, the COVID-19 pandemic has entered the post-epidemic phase, and market demand has already rebounded earlier, in addition, inflation and supply chain disruptions continue to influence the demand and shipment. This has posed many challenges for the company. In response to the worldwide economy circumstances, market demand, and industry changes, the strategic goals that the company has executed are outlined below.

### 1. Product innovation and better efficiency

Due to external factors such as the pandemic, material costs, transportation, labor, and prices of living have all been adversely affected. The company has adopted an efficient supply chain and production management to optimize costs and focus on improving product quality, yield rate, and production efficiency. This has increased customer satisfaction with product quality and service, and has also improved the company's profitability. TPK upholds the belief of being the main supplier for customers and actively seeks high-quality new customers. In addition to successfully mass producing new-generation products such as tablets and laptops, the company has also made significant gains in projects such as new electronic notebook and touch screen systems for new electric vehicles. By expanding product lines and service, TPK aims to increase the value of customers' products and improve the best user experience for end-users.

### 2. Competitiveness enhancement and new business scope exploration

To adapt to the trend of climate change, anti-global warming, and carbon reduction, the company has actively developed innovative industries in new materials and new energy, and worked with more partners in trend industries to create new businesses with integrated manufacturing services. The R&D unit has been fully committed to developing new products, innovative engineering manufacturing, and strengthening the core competitiveness of the supply chain and production management to assist the development of new businesses. Currently, the company has obtained a project for the new energy vehicle cockpit central control system product. The company has also developed more diverse 3D printing product designs and layered manufacturing, and successfully expanded the product range and application by producing the dual-drive all-terrain two-wheel vehicle of a New Zealand brand last year.

### 3. Conservative policy and stable operation

In 2022, despite a decline in revenue, the company managed its expenses well, with an annual operating expense rate of approximately 3.7%. Furthermore, due to continuous improvement in automation equipment and production processes in recent years, the company can enjoy the flexibility of manpower scheduling, resulting in a slight reduction in the employee headcount from around 15,000 at the end of 2022 to around 14,800. To cope with increased operational risks, the company also rigorously managed accounts receivable and payable, as well as inventory turnover, while closely monitoring market information. As a result, the company demonstrated outstanding performance in risk control and cost management despite the challenges of reduced revenue and weak market demand.

## **Financial Results**

TPK reported sales of NT\$97.2 billion in 2022, down 5.7% year-on-year, and net profit for the parent company totaled NT\$544 million with a diluted earnings per share of NT\$1.34 decreased from 2021.

## **Research & Development**

As a leading company in touch solutions, our company continues to collaborate with customers to develop new designs, materials, and products in our existing product line. At the same time, we will continue to explore more diverse product applications, leveraging our rich experience in mass production manufacturing and supply chain management to assist our partners in adopting new technologies through innovative and optimized production processes, enabling rapid mass production and commercialization of products. As of the end of 2022, the group has been granted a total of 2,989 patents, including 1,731 invention patents and 1,258 utility model patents. In 2023, we will continue to actively assert our patent rights, engage in ongoing research and development, and apply for new patents to ensure our leading position in touch technology and a solid presence in new business ventures.

## **Summary of Business Plans for 2023**

Looking ahead to 2023, the global economy is facing significant pressures from inflation and high interest rates, as well as ongoing geopolitical risks and changes in the world's political and economic order, which constantly impact global economic and trade dynamics, as well as supply chain layout and management. Therefore, the company will continue to carefully assess international situations, economic demand, and industry changes, and respond timely to adjust our strategies accordingly. The outline of our business plan for 2023 is as follows:

### **1. Innovation with solid foundation and accumulation of extensive experiences**

The company will leverage its strong R&D and manufacturing capabilities to serve as a mass production development partner and key supplier for customers' new products, and strive to gain more high-quality new customers. This year, in the development of new touch products, we will gradually introduce touch products of integrated assembly products for automotive display systems. We will work together with the existing customers to grow together, maintain stable production and quality of mass production products, and actively participate in the development and verification of next-generation products. On the basis of existing product supply, we will

enhance product and service value for customers, expand our business, and deepen long-term cooperative relationships with customers.

## 2. Strengthening competitive expansion and gearing up for upcoming challenges

TPK will continue to innovate and steadily operate, expanding competitiveness in existing businesses while also extending core competencies in engineering, manufacturing, and production management to new ventures. In 2022, we have already secured projects in the production of complete sets of touch display systems for automotive applications, 3D printing manufacturing, and dual-wheel drive electric vehicle manufacturing. In 2023, the company will leverage its core competencies to participate in early-stage product design and development for brand customers, lead process development and implementation, optimize product validation, design and establish equipment production lines, and construct a managed supply chain to achieve high-quality and rapid mass production of new products for new customers. We will continue to expand into new fields such as new touch technology, new energy, and new materials, and strive to become a globally sustainable and continuously growing enterprise.

## 3. Conservative and steady operation

Due to global inflation and uncertain market demand, as well as potential interest rate hikes and the volatile economic and trade environment, our company will maintain a low financial leverage policy to cope with fluctuations in demand due to seasonality in the electronics industry. We will maintain a conservative and prudent financial structure to mitigate the impact on cash flow and profitability. Additionally, we will actively seek opportunities for effective cash management and foreign exchange hedging to stabilize the value of our funds and increase non-operating income.

## **Embrace the future**

In the coming year, the entire TPK team will uphold the attitude of relentless effort and continuous improvement. We will actively seek opportunities for transformation and providing professional manufacturing services, leveraging our rich manufacturing capabilities to extend the experience of TPK and deepen our manufacturing expertise in new fields. We will work hand-in-hand with our customers to launch more new products, and spare no effort to make 2023 a year of accumulation for TPK.

Meanwhile, the company will continue to uphold its social responsibility, strengthen environmental protection, care for the disadvantaged, and implement corporate governance (ESG) in accordance with laws and regulations. We will promote energy conservation and carbon reduction, establish green energy and energy-saving production, implement carbon auditing and

carbon neutralization plans, and continue our journey towards sustainable development. Finally, the TPK management team would like to express our deepest gratitude to our shareholders, customers, and all employees for their long-term support and care. We sincerely hope that our shareholders and stakeholders will recognize and support the efforts and contributions of our company team, and endorse our strategies and direction for future development. Let us continue to move forward steadily, transform for growth, create maximum value for shareholders, and contribute to society as we always have.

Michael Chao-Juei Chiang, Chairman

Li-Chien Hsieh, Chief Executive Officer

**Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of TPK Holding Co., Ltd.. According to relevant requirements of the Securities and Exchange Act, we hereby submit this report.

TPK Holding Co., Ltd.

Chairman of the Audit Committee : Weng, Ming-Jeng

March 8, 2023

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
TPK Holding Co., Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of TPK Holding Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

#### Valuation of Inventory

The description of the key audit matter:

As of December 31, 2022, the carrying amount of inventory was NT\$9,270,132 thousand (net of the allowance for inventory valuation and obsolescence losses of NT\$694,434 thousand), which accounted for 11% of the Group's total assets. The Group is mainly engaged in the business of developing, manufacturing and selling touch modules and related products. As the touch modules industry is characterized by rapid change in technology, as well as short life cycles for the related products, in this regard, the risk surrounding the write-down of slow moving and obsolete inventory is higher. Based on the aging of inventories, the net realizable value of the Group's products, the related sales status and the changes in the market, the Group evaluated and recognized losses related to the write-down of slow moving and obsolete inventory monthly. Since such valuation of inventory requires significant judgment from management, the valuation of inventory has been identified as a key audit matter.

Refer to Notes 4 (g), 5 (c) and 11 to the Group's consolidated financial statements for details of the related accounting policy and the relevant information about inventory.

Corresponding audit procedures:

As for the evaluation of losses related to the write-down of slow moving and obsolete inventory, after first gaining familiarity with the industry characteristics to which the Group belongs, we obtained an understanding of the reasonability of the Group's policy for the provision for obsolete inventory and inventory whose carrying amount was lower than the net realizable value, and we randomly inspected inventory aging and performed our own calculation to verify whether the loss recognized adhered to the Group's provision policy.

In addition, at the end of the year, we performed an inventory observation and random counting to understand the inventory status and evaluate the appropriateness of the loss of obsolete and damaged inventory.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Pi-Yu Chuang and Tzu-Jung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 28, 2023

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Notes 4, 6 and 27)	\$ 24,284,276	29	\$ 20,615,121	27
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	656,359	1	372,752	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	266,969	-	1,510,287	2
Financial assets at amortized cost - current (Notes 4, 9, 27, 31 and 33)	9,972,167	12	3,147,118	4
Trade receivables, net (Notes 4, 10, 27, 31 and 32)	8,433,188	10	12,405,167	16
Other receivables, net (Notes 4, 10, 16, 27, 31 and 32)	6,129,982	8	3,526,711	5
Current tax assets (Notes 4 and 25)	4,444	-	37,037	-
Inventories (Notes 4, 5, 11 and 27)	9,270,132	11	10,867,848	14
Other current assets (Note 27)	<u>815,648</u>	<u>1</u>	<u>233,761</u>	<u>-</u>
Total current assets	<u>59,833,165</u>	<u>72</u>	<u>52,715,802</u>	<u>68</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 31)	732,002	1	585,521	1
Property, plant and equipment (Notes 4, 5, 14, 27, 32 and 33)	16,851,811	20	18,026,287	23
Right-of-use assets (Notes 4, 15 and 27)	3,982,053	5	4,313,507	5
Investment properties (Notes 4 and 16)	226,284	-	223,071	-
Intangible assets (Notes 4, 17 and 27)	103,675	-	65,935	-
Deferred tax assets (Notes 4, 5 and 25)	1,032,215	1	1,240,524	2
Prepayments for equipment	722,367	1	495,141	1
Refundable deposits (Notes 27, 31 and 32)	115,813	-	113,555	-
Other non-current assets	<u>891</u>	<u>-</u>	<u>6,087</u>	<u>-</u>
Total non-current assets	<u>23,767,111</u>	<u>28</u>	<u>25,069,628</u>	<u>32</u>
TOTAL	<u>\$ 83,600,276</u>	<u>100</u>	<u>\$ 77,785,430</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Short-term borrowings (Notes 18 and 31)	\$ 7,437,076	9	\$ 2,799,213	4
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 31)	614,449	1	351,770	1
Notes and trade payables (Notes 27 and 32)	9,393,716	11	13,524,761	17
Payables for purchase of equipment (Notes 19, 29 and 32)	486,636	1	778,734	1
Other payables - others (Notes 19, 27 and 32)	2,816,364	3	2,500,721	3
Current tax liabilities (Notes 4 and 25)	334,157	-	67,750	-
Provisions - current (Notes 4, 5, 11 and 20)	1,805,951	2	1,568,665	2
Lease liabilities - current (Notes 4, 15, 27 and 32)	479,411	1	463,850	1
Current portion of long-term borrowings (Notes 18, 27, 31 and 33)	4,911,779	6	3,685,098	5
Other current liabilities (Notes 27 and 32)	<u>343,148</u>	<u>-</u>	<u>224,285</u>	<u>-</u>
Total current liabilities	<u>28,622,687</u>	<u>34</u>	<u>25,964,847</u>	<u>34</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18, 27, 31 and 33)	11,969,058	14	10,176,385	13
Deferred tax liabilities (Notes 4 and 25)	2,490,187	3	2,404,864	3
Lease liabilities - non-current (Notes 4, 15, 27 and 32)	2,822,557	4	3,506,668	5
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,347	-	3,781	-
Guarantee deposits received (Note 31)	44,185	-	33,635	-
Other non-current liabilities	<u>278,428</u>	<u>-</u>	<u>309,562</u>	<u>-</u>
Total non-current liabilities	<u>17,605,762</u>	<u>21</u>	<u>16,434,895</u>	<u>21</u>
Total liabilities	<u>46,228,449</u>	<u>55</u>	<u>42,399,742</u>	<u>55</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 22, 27 and 28)				
Share capital				
Ordinary shares	<u>4,066,638</u>	<u>5</u>	<u>4,066,638</u>	<u>5</u>
Capital surplus	<u>28,231,125</u>	<u>34</u>	<u>28,165,226</u>	<u>36</u>
Retained earnings				
Legal reserve	3,497,439	4	3,384,463	4
Special reserve	189,610	-	-	-
Unappropriated earnings	<u>831,664</u>	<u>1</u>	<u>1,198,477</u>	<u>2</u>
Total retained earnings	<u>4,518,713</u>	<u>5</u>	<u>4,582,940</u>	<u>6</u>
Other equity				
Exchange differences on translating foreign operations	2,018,194	2	(1,131,483)	(1)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	<u>(1,782,710)</u>	<u>(2)</u>	<u>(448,419)</u>	<u>(1)</u>
Total other equity	<u>235,484</u>	<u>-</u>	<u>(1,579,902)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	37,051,960	44	35,234,902	45
NON-CONTROLLING INTERESTS	<u>319,867</u>	<u>1</u>	<u>150,786</u>	<u>-</u>
Total equity	<u>37,371,827</u>	<u>45</u>	<u>35,385,688</u>	<u>45</u>
TOTAL	<u>\$ 83,600,276</u>	<u>100</u>	<u>\$ 77,785,430</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4, 23, 27, 32 and 38)	\$ 97,180,969	100	\$ 103,088,745	100
OPERATING COSTS (Notes 4, 11, 14, 15, 17, 20, 21, 24 and 32)	<u>93,066,492</u>	<u>96</u>	<u>99,320,329</u>	<u>96</u>
GROSS PROFIT	<u>4,114,477</u>	<u>4</u>	<u>3,768,416</u>	<u>4</u>
OPERATING EXPENSES (Notes 4, 10, 14, 15, 17, 21, 24 and 32)				
Selling and marketing expenses	341,301	-	409,829	1
General and administrative expenses	2,550,428	3	2,342,678	2
Research and development expenses	695,423	1	684,439	1
Expected credit (gain) loss	<u>(22,515)</u>	<u>-</u>	<u>17,543</u>	<u>-</u>
Total operating expenses	<u>3,564,637</u>	<u>4</u>	<u>3,454,489</u>	<u>4</u>
OPERATING INCOME	<u>549,840</u>	<u>-</u>	<u>313,927</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Government grant revenue (Note 4)	422,749	-	419,188	-
Interest income (Notes 4, 24 and 32)	815,344	1	614,369	1
Other income (Notes 4, 15, 24 and 32)	416,776	-	192,287	-
(Loss) gain on financial products at fair value through profit or loss (Notes 4, 7 and 31)	(498,073)	-	625,457	1
Finance costs (Notes 4, 15, 18, 24 and 32)	(860,198)	(1)	(640,338)	(1)
Foreign exchange gain (loss), net (Notes 4 and 36)	509,297	1	(28,155)	-
Other losses (Notes 4, 16 and 24)	<u>(95,872)</u>	<u>-</u>	<u>(21,603)</u>	<u>-</u>
Total non-operating income and expenses	<u>710,023</u>	<u>1</u>	<u>1,161,205</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,259,863	1	1,475,132	1
INCOME TAX EXPENSE (Notes 4 and 25)	<u>678,167</u>	<u>1</u>	<u>377,685</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>581,696</u>	<u>-</u>	<u>1,097,447</u>	<u>1</u>

(Continued)

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 21)	\$ 2,031	-	\$ 1,019	-
Unrealized valuation loss on investments in equity instruments at fair value through other comprehensive income (Notes 4, 8 and 22)	(1,334,291)	(1)	(1,202,698)	(1)
Exchange differences arising on translation to the presentation currency (Notes 4 and 22)	<u>3,795,997</u>	<u>4</u>	<u>(1,023,657)</u>	<u>(1)</u>
	2,463,737	3	(2,225,336)	(2)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Notes 4 and 22)	<u>(626,220)</u>	<u>(1)</u>	<u>114,760</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,837,517</u>	<u>2</u>	<u>(2,110,576)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 2,419,213</u>	<u>2</u>	<u>\$ (1,013,129)</u>	<u>(1)</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 543,738	-	\$ 1,068,606	1
Non-controlling interests	<u>37,958</u>	<u>-</u>	<u>28,841</u>	<u>-</u>
	<u>\$ 581,696</u>	<u>-</u>	<u>\$ 1,097,447</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,361,155	2	\$ (1,038,265)	(1)
Non-controlling interests	<u>58,058</u>	<u>-</u>	<u>25,136</u>	<u>-</u>
	<u>\$ 2,419,213</u>	<u>2</u>	<u>\$ (1,013,129)</u>	<u>(1)</u>
EARNINGS PER SHARE (Note 26)				
Basic	\$ 1.34		\$ 2.63	
Diluted	\$ 1.34		\$ 2.63	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**TPK HOLDING CO., LTD. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Other Equity		Non-controlling Interests (Notes 4, 22, 27 and 28)	Total Equity
	Share Capital (Notes 4 and 22)	Capital Surplus (Notes 4, 22 and 28)	Retained Earnings			Exchange Differences on Translating Foreign Operations (Notes 4 and 22)	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4, 8 and 22)	Total		
			Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Notes 4, 8, 21 and 22)					
BALANCE AT JANUARY 1, 2021	\$ 4,066,638	\$ 28,165,226	\$ 3,287,058	\$ -	\$ 304,010	\$ (226,291)	\$ 1,083,190	\$ 36,679,831	\$ 125,650	\$ 36,805,481
Appropriation of 2020 earnings										
Legal reserve	-	-	97,405	-	(97,405)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(406,664)	-	-	(406,664)	-	(406,664)
Net profit for the year ended December 31, 2021	-	-	-	-	1,068,606	-	-	1,068,606	28,841	1,097,447
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,019	(905,192)	(1,202,698)	(2,106,871)	(3,705)	(2,110,576)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,069,625	(905,192)	(1,202,698)	(1,038,265)	25,136	(1,013,129)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	328,911	-	(328,911)	-	-	-
BALANCE AT DECEMBER 31, 2021	4,066,638	28,165,226	3,384,463	-	1,198,477	(1,131,483)	(448,419)	35,234,902	150,786	35,385,688
Appropriation of 2021 earnings										
Legal reserve	-	-	112,976	-	(112,976)	-	-	-	-	-
Special reserve	-	-	-	189,610	(189,610)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(609,996)	-	-	(609,996)	-	(609,996)
Share options issued by the subsidiary	-	62,824	-	-	-	-	-	62,824	-	62,824
Difference between consideration and carrying amount of the subsidiary acquired or disposed	-	3,075	-	-	-	-	-	3,075	51,551	54,626
Net profit for the year ended December 31, 2022	-	-	-	-	543,738	-	-	543,738	37,958	581,696
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	2,031	3,149,677	(1,334,291)	1,817,417	20,100	1,837,517
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	545,769	3,149,677	(1,334,291)	2,361,155	58,058	2,419,213
Increase in non-controlling interests	-	-	-	-	-	-	-	-	59,472	59,472
BALANCE AT DECEMBER 31, 2022	\$ 4,066,638	\$ 28,231,125	\$ 3,497,439	\$ 189,610	\$ 831,664	\$ 2,018,194	\$ (1,782,710)	\$ 37,051,960	\$ 319,867	\$ 37,371,827

The accompanying notes are an integral part of the consolidated financial statements.

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,259,863	\$ 1,475,132
Adjustments for:		
Depreciation expenses	4,079,867	4,849,456
Amortization expenses	31,495	24,205
Expected credit loss (reversed) recognized on trade receivables	(22,515)	17,543
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	74,560	(327,520)
Finance costs	860,198	640,338
Interest income	(815,344)	(614,369)
Gain on disposal of property, plant and equipment	(168,647)	(218,347)
Loss on disposal of intangible assets	178	-
Gain on lease modification	(181,598)	(387)
Impairment loss recognized on non-financial assets	571	309,277
Recognition of write-down of inventories	237,591	70,418
Recognition of provisions	378,908	72,216
Changes in operating assets and liabilities		
Decrease in trade receivables	4,279,066	340,580
Increase in other receivables	(1,990,956)	(1,338,861)
Decrease (increase) in inventories	2,378,343	(2,505,522)
Increase in other current assets	(547,770)	(56,036)
Decrease in notes and trade payables	(5,414,761)	(918,400)
Increase (decrease) in other payables	4,300	(234,264)
Decrease in provisions	(318,723)	(379,741)
Increase (decrease) in other current liabilities	110,847	(246,036)
Decrease in net defined benefit liabilities	(403)	(384)
Cash generated from operations	4,235,070	959,298
Interest received	554,863	653,059
Income tax paid	(227,806)	(96,164)
Net cash generated from operating activities	4,562,127	1,516,193
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	(325,947)	(497,542)
Proceeds from issuing financial liabilities at fair value through profit or loss	-	194,573
Proceeds from sale of financial assets at fair value through profit or loss	141,429	341,555
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,152,631
Purchase of financial assets at amortized cost	(5,651,626)	(423,390)
Payments for property, plant and equipment	(220)	(20,287)
Proceeds from disposal of property, plant and equipment	186,367	379,767
Decrease (increase) in refundable deposits	8,445	(166)
Payments for intangible assets	(18,584)	(21,470)

(Continued)



# TPK HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease (increase) in other assets	\$ 5,487	\$ (3,779)
Increase in prepayments for equipment	(1,048,411)	(939,158)
Net cash inflow on acquisition of the subsidiary	<u>14,301</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(6,688,759)</u>	<u>162,734</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	3,268,179	(284,453)
Proceeds from long-term borrowings	11,160,239	7,927,616
Repayments of long-term borrowings	(9,539,965)	(8,677,818)
Proceeds from guarantee deposits received	4,053	4,146
Repayments of the principal portion of lease liabilities	(614,173)	(831,386)
Decrease in other non-current liabilities	(59,601)	(86,382)
Dividends paid to owners of the Company	(609,996)	(406,664)
Partial disposal of interests in the subsidiary without a loss of control	117,450	-
Interest paid	<u>(646,425)</u>	<u>(467,217)</u>
Net cash generated from (used in) financing activities	<u>3,079,761</u>	<u>(2,822,158)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>2,716,026</u>	<u>(845,097)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,669,155	(1,988,328)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>20,615,121</u>	<u>22,603,449</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 24,284,276</u>	<u>\$ 20,615,121</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**Exhibit 4**

TPK Holding Co., LTD  
**PROFIT DISTRIBUTION STATEMENT**  
 Year 2022

(Unit : \$US)

Unappropriated retained earnings of previous year	70,898,419
Remeasurement of defined benefit plan recognized in Retained Earnings	66,103
Unappropriated retained earnings after adjustments	70,964,522
Y2022 net profit after tax	19,109,449
Less : 10% legal reserve	(1,910,945)
Special reserve	(67,358,131)
Distributable net profit	20,804,895
Distributable item :	
Cash dividend to shareholders	
— NT\$ 0.5 per share(Note 1 and 2)	(6,769,831)
The ending balance of unappropriated retained earnings	14,035,064

Note 1 : Exact amount of cash dividends denominated in USD will be calculated based upon the average spot rate for buying and selling published by the Bank of Taiwan between NTD and USD on the business day immediately prior to the date of the general meeting. The foreign exchange rate tentatively adopted is USD 1 : NTD 30.035 on January 31, 2023.

Note 2 : The amount of cash dividend is calculated based upon total issued shares outstanding (406,663,759 shares) on January 31, 2023.

Supplementary Data :

Cash dividend per share (NTD)	0.5
Cash dividends (NTD)	203,331,880
Cash dividends (USD)	6,769,831

Chairman : Michael Chao-Juei Chiang

Executive : Li-Chien Hsieh

Accounting Manager : Hu-Yao Lin

## Comparison Table of Amendments to the Rules of Board Meeting Procedures

Proposed Amendments	Current Provisions
<p>3.1.3. The following matters to be submitted for discussion at a board meeting shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extemporary motion:</p> <p>(1) The Company's business plan.</p> <p>(2) Annual and semi-annual financial reports, unless with the semi-annual financial reports are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p> <p>(3) Adoption of or amendment to an internal control system and assessment on the effectiveness of the internal control system.</p> <p>(4) Adoption of or amendment to any operating procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.</p> <p>(5) The offering, issuance, or private placement of equity-type securities.</p> <p>(6) <u>The election or discharge of chairman.</u></p> <p>(7) The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>(8) A donation to a related party or a major donation to a non-related party. provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board meeting for confirmation.</p> <p>(9) A matter bearing on the personal interest of a director.</p> <p>(10) A material asset or derivatives transaction.</p> <p>(11) A material monetary loan, endorsement, or provision of guarantee.</p> <p>(12) Hiring or dismissal of an attesting CPA, or the compensation given thereto.</p> <p>(13) Any matter that, under laws and regulations or the articles of incorporation, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p>	<p>3.1.3. The following matters to be submitted for discussion at a board meeting shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extemporary motion <u>except in the case of an emergency or with other justified reason:</u></p> <p>(1) The Company's business plan.</p> <p>(2) Annual and semi-annual financial reports, unless with the semi-annual financial reports are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p> <p>(3) Adoption of or amendment to an internal control system and assessment on the effectiveness of the internal control system.</p> <p>(4) Adoption of or amendment to any operating procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.</p> <p>(5) The offering, issuance, or private placement of equity-type securities.</p> <p>(6) The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>(7) A donation to a related party or a major donation to a non-related party. provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board meeting for confirmation.</p> <p>(8) A matter bearing on the personal interest of a director.</p> <p>(9) A material asset or derivatives transaction.</p> <p>(10) A material monetary loan, endorsement, or provision of guarantee.</p> <p>(11) Hiring or dismissal of an attesting CPA, or the compensation given thereto.</p> <p>(12) Any matter that, under laws and regulations or the articles of incorporation, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p>
<p>3.1.4. The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual</p>	<p>3.1.4. The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual</p>

Proposed Amendments	Current Provisions
<p>donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the financial report attested by a CPA for the most recent year.</p>	<p>donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the financial report attested by a CPA for the most recent year.</p>
<p>3.15 The enactment of these Rules shall be subject to approval of the Board of Directors, and reported at a shareholders' meeting. The amendments hereto, if any, shall be <u>approved</u> by the Board of Directors.</p> <p>These Rules were implemented upon approval by 1st shareholders' meeting on January 8, 2010.</p> <p>1st amendments hereto were approved by the Audit Committee and Board of Directors on April 12, 2010.</p> <p>2nd amendments hereto were approved by the Audit Committee and Board of Directors on August 23, 2010.</p> <p>3rd amendments hereto were approved by the Audit Committee and Board of Directors on March 13, 2013.</p> <p>4th amendments hereto were approved by the Audit Committee and Board of Directors on November 10, 2017.</p> <p>5th amendments hereto were approved by the Audit Committee and Board of Directors on February 21, 2020.</p> <p><u>6th amendments hereto were approved by the Audit Committee and Board of Directors on March 8, 2023.</u></p>	<p>3.15 The enactment of these Rules shall be subject to approval of the Board of Directors, and reported at a shareholders' meeting. The amendments hereto, if any, shall be <u>resolved</u> by the Board of Directors <u>with authorization</u>.</p> <p>These Rules were implemented upon approval by 1st shareholders' meeting on January 8, 2010.</p> <p>1st amendments hereto were approved by the Audit Committee and Board of Directors on April 12, 2010.</p> <p>2nd amendments hereto were approved by the Audit Committee and Board of Directors on August 23, 2010.</p> <p>3rd amendments hereto were approved by the Audit Committee and Board of Directors on March 13, 2013.</p> <p>4th amendments hereto were approved by the Audit Committee and Board of Directors on November 10, 2017.</p> <p>5th amendments hereto were approved by the Audit Committee and Board of Directors on February 21, 2020.</p>

## Comparison Table of Amendments to the Amended and Restated Memorandum and Articles of Association

Amended and Restated Memorandum of Association	
Proposed Amendments	Current Provisions
1.2 In the Articles: (omitted) (h) Sections 8 and 19(3) of the Electronic Transactions Act shall not apply.	1.2 In the Articles: (omitted) (h) Section 8 and 19(3) of the Electronic Transactions Act shall not apply.
22.1 In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing <u>or verbally (with a record)</u> of his/her/its objection to such a resolution prior to <u>or during</u> the meeting and has <u>voted against or abstained from voting on such matter</u> at the meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price: (a)The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others; (b)The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or (c)The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.	22.1 In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing of his objection to such a resolution prior to the meeting and has <u>raised again his/her objection</u> at the meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price: (a)The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others; (b)The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or (c)The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.
22.2 In the event the Company proposes to	22.2 In the event the Company proposes to

<b>Amended and Restated Memorandum of Association</b>	
<b>Proposed Amendments</b>	<b>Current Provisions</b>
undertake a Spin Off, Merger, Share Swap or acquire or transfer assets and liabilities by way of general assumption or transfer, the Member, who has expressed his/her/its dissent therefor in writing or verbally (with a record) before or during the general meeting <u>and voted against or abstain from voting on such matter</u> , may request the Company to buy back all of his/her Shares at the then prevailing fair price.	undertake a Spin Off, Merger, Share Swap or acquire or transfer assets and liabilities by way of general assumption or transfer, the Member, who has <u>forfeited his right to vote on such matter and</u> expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price.
22.4 <u>The dissenting Member who has voted against or abstained from voting in accordance with Articles 22.1 and 22.2 may request the Company to purchase all of such dissenting Member's Shares.</u> In the event the Company fails to reach such agreement with the Member within sixty days after the resolution date, the Company shall, within thirty days after such sixty-day period, file a petition to any competent court of the R.O.C. which, for these purposes and to the extent permitted by applicable laws, shall include the Taipei District Court, against all the dissenting Members with whom no agreement on the price of shares has been reached for a ruling on the appraisal price, and such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the appraisal price.	22.3 (omitted) In the event the Company fails to reach such agreement with the Member within sixty days after the resolution date, the Company shall, within thirty days after such sixty-day period, file a petition to any competent court of the R.O.C. which, for these purposes and to the extent permitted by applicable laws, shall include the Taipei District Court, against all the dissenting Members with whom no agreement on the price of shares has been reached for a ruling on the appraisal price, and such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the appraisal price.
22.5 <u>Shares that have been abstained from voting in accordance with Articles 22.1 and 22.2 shall not be counted in the number of votes casted by the Members at a general meeting.</u>	(Newly added)
22.6 Notwithstanding the provisions under Articles 22.3 and 22.4, nothing under this Article shall restrict or prohibit a	22.3 (omitted) Notwithstanding the <u>above</u> provisions under this Article 22.3, nothing under this Article shall

<b>Amended and Restated Memorandum of Association</b>	
<b>Proposed Amendments</b>	<b>Current Provisions</b>
Member from exercising his right under section 238 of the Statute to payment of the fair value of his shares upon dissenting from a merger or consolidation.	restrict or prohibit a Member from exercising his right under section 238 of the Statute to payment of the fair value of his shares upon dissenting from a merger or consolidation.
22.7 The <u>aforementioned</u> payment of appraisal price shall be made at the same time as the delivery of Share Certificates, and transfer of such Shares shall be effective at the time when the transferee's name is entered on the Register of Members.	22.4 The payment of appraisal price shall be made at the same time as the delivery of Share Certificates, and transfer of such Shares shall be effective at the time when the transferee's name is entered on the Register of Members.
30.5 A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Articles 22.1 and 22.2 or effect other forms of mergers and acquisitions in accordance with the applicable laws, a director who has a personal interest in such transaction shall, in accordance with the applicable laws, declare at the relevant meeting of the Directors and the general meeting the essential contents of such personal interest and explain the reason he believes the transaction is advisable or not advisable. <u>The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reason why such Director believes that the transaction is advisable or not advisable. The essential contents of the above matters may be uploaded onto the website designated by the R.O.C. securities competent authorities or the Company, and the Company shall specify the link to the website in the notice of the relevant</u>	30.5 A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Articles 22.1 and 22.2 or effect other forms of mergers and acquisitions in accordance with the applicable laws, a director who has a personal interest in such transaction shall, in accordance with the applicable laws, declare at the relevant meeting of the Directors and the general meeting the essential contents of such personal interest and explain the reason he believes the transaction is advisable or not advisable.  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 a personal interests in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.

<b>Amended and Restated Memorandum of Association</b>	
<b>Proposed Amendments</b>	<b>Current Provisions</b>
<p><u>general meeting.</u></p> <p>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 a personal interests in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.</p>	



**Comparison Table of Amendments to  
the Rules of Shareholders' Meeting Procedures**

Proposed Amendment	Original Article
<p><b>3.2.1.</b> <u>Any change in the manner of holding a shareholders meeting shall be resolved by the board of directors and shall be made at the latest before the mailing of the notice of the shareholders meeting.</u></p>	<p>New Article</p>
<p><b>3.2.2.</b> The Company shall, thirty days prior to an <u>annual general</u> meeting of shareholders or fifteen days prior to an extraordinary <u>general</u> meeting of shareholders, publish the notice of the shareholders' meeting, the proxy instrument, agendas and materials relating to matters for approval and matters for discussion (including but not limited to election or discharge of directors) via the Market Observation Post System in electronic form. The Company shall prepare a meeting handbook of the relevant shareholders' meeting and supplemental materials, which shall be transmitted to the Market Observation Post System twenty-one days prior to an <u>annual general</u> meeting of shareholders and fifteen days prior to an extraordinary <u>general</u> meeting of shareholders. <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the regular shareholders meeting held in the immediately preceding year, the foregoing transmission of electronic files shall be made at least thirty days prior to the regular shareholders meeting.</u> Prior to fifteen days of the</p>	<p><b>3.2.1.</b> The Company shall, thirty days prior to a <u>regular</u> meeting of shareholders or fifteen days prior to an extraordinary meeting of shareholders, publish the notice of the shareholders' meeting, the proxy instrument, agendas and materials relating to matters for approval and matters for discussion (including but not limited to election or discharge of directors) via the Market Observation Post System in electronic form. The Company shall prepare a meeting handbook of the relevant shareholders' meeting and supplemental materials, which shall be transmitted to the Market Observation Post System twenty-one days prior to a <u>regular</u> meeting of shareholders and fifteen days prior to an extraordinary meeting of shareholders. Prior to fifteen days of the shareholders' meeting, the publication of a meeting handbook of the relevant shareholders' meeting and supplemental materials should be completed for shareholders' review from time to time, should be displayed at the Company and the stock transfer agent of the Company <u>and should be distributed at shareholders' meeting.</u></p>

<p>shareholders' meeting, the publication of a meeting handbook of the relevant shareholders' meeting and supplemental materials should be completed for shareholders' review from time to time, should be displayed at the Company and the stock transfer agent of the Company.</p>	
<p><b><u>3.2.3.</u></b> <u>The Company shall make the meeting handbook of the shareholders meeting and supplemental materials set forth in the preceding paragraph available to shareholders for review in the following manners on the date of the relevant shareholders meeting:</u></p> <p><u>(a)In case of a physical shareholders meeting, to be distributed on-site at the meeting.</u></p> <p><u>(b)In case of a hybrid shareholders meeting, to be distributed on-site at the meeting and uploaded the electronic files to the Virtual Meeting Platform.</u></p> <p><u>(c)In case of a virtual shareholders meeting, the electronic files to be uploaded to the Virtual Meeting Platform.</u></p>	<p>(New Article)</p>
<p><b><u>3.2.4.</u></b> (Omitted)</p>	<p><b><u>3.2.2.</u></b> (Omitted)</p>
<p><b><u>3.2.5.</u></b> Matters relating to (a) election or discharge of directors, (b) change of the Amended and Restated Memorandum of Association and Articles of Association of the Company, (c)(i) dissolution, merger, division, (ii) association of the Company, change in or termination of leasehold of the Company's business operation in full, consigned business operation, execution of a contract to team up with another</p>	<p><b><u>3.2.3.</u></b> Matters relating to (a) election or discharge of directors, (b) change of the Amended and Restated Memorandum of Association and Articles of Association of the Company, (c)(i) dissolution, merger, division, (ii) association of the Company, change in or termination of leasehold of the Company's business operation in full, consigned business operation, execution of a contract to team up with another</p>

<p>party in joint business operation, (iii) transfer of business operation or properties either in whole or in part, (iv) inward transfer of another's business operation or properties in full which has a significant impact upon the Company, (d) permission to directors for actions within the Company's business scope for themselves or for other firms, (e) allocation of dividend or bonus by means of issuing new shares, issuance of new shares by means of reserve to be converted into capital increase (re-capitalization), capitalizing all or part of retained earnings, legal reserve, or other funds defined in Article 35 of the Amended and Restated Memorandum of Association and Articles of Association of the Company by issuing new shares, (f) issuance of equity-oriented securities by the Company through private placement, (g) matters set forth in Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers as applied mutatis mutandis under Paragraph 2 of Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, (h) capital reduction, and (i) cease of its status as a public company, shall be expressly enumerated in the notice of the shareholders' meeting and shall not be posted by means of occasional (extemporaneous) motions; the material contents may be uploaded onto the website designated by the competent authority in charge of securities affairs or the Company.</p>	<p>party in joint business operation, (iii) transfer of business operation or properties either in whole or in part, (iv) inward transfer of another's business operation or properties in full which has a significant impact upon the Company, (d) permission to directors for actions within the Company's business scope for themselves or for other firms, (e) allocation of dividend or bonus by means of issuing new shares, issuance of new shares by means of reserve to be converted into capital increase (re-capitalization), capitalizing all or part of retained earnings, legal reserve, or other funds defined in Article 35 of the Amended and Restated Memorandum of Association and Articles of Association of the Company by issuing new shares, (f) issuance of equity-oriented securities by the Company through private placement, (g) matters set forth in Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers as applied mutatis mutandis under Paragraph 2 of Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, (h) capital reduction, and (i) cease of its status as a public company, shall be expressly enumerated in the notice of the shareholders' meeting and shall not be posted by means of occasional (extemporaneous) motions; the material contents may be uploaded onto the website designated by the competent authority in charge of securities affairs or the Company, <u>and such website shall be indicated in the notice of the shareholders' meeting.</u></p>
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<b>3.2.6.</b> (Omitted)	<b>3.2.4.</b> (Omitted)
<b>3.2.7.</b> (Omitted)	<b>3.2.5.</b> (Omitted)
<b>3.2.8.</b> (Omitted)	<b>3.2.6.</b> (Omitted)
<b>3.2.9.</b> (Omitted)	<b>3.2.7.</b> (Omitted)
<b>3.2.10.</b> (Omitted)	<b>3.2.8.</b> (Omitted)
<b>3.3.3.</b> <u>If a shareholder wishes to attend a shareholders meeting by video conferencing after the proxy has been delivered to the Company, he/she shall give written notice of revocation of such proxy to the Company two days prior to the shareholders meeting; if the proxy is revoked after that date, votes cast at the meeting by the proxy shall prevail.</u>	(New Article)
<b>3.4.1.</b> The Company shall expressly provide the time and location at which shareholders, <u>proxy solicitors and proxies (collectively "shareholders")</u> sign in for the shareholders' meeting and other important matters in the notice of the shareholders' meeting.	<b>3.4.1.</b> The Company shall expressly provide the time and location at which shareholders sign in for the shareholders' meeting and other important matters in the notice of the shareholders' meeting.
<b>3.4.2.</b> The shareholders' sign-in has to begin at least thirty minutes before the shareholders meeting begins. The sign-in location should be clearly marked and staffed by adequate and competent employees. <u>Attendance registrations for the virtual shareholders meeting shall be accepted at the Virtual Meeting Platform at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in person at the shareholders meeting.</u>	<b>3.4.2.</b> The shareholders' sign-in has to begin at least thirty minutes before the shareholders meeting begins. The sign-in location should be clearly marked and staffed by adequate and competent employees.
<b>3.4.6.</b> <u>When the Company holds a virtual shareholders meeting, the restrictions on the place of meeting prescribed in Article 3.4. shall not apply.</u>	(New Article)

<p><b><u>3.4.7.</u></b> <u>Shareholders who wish to attend the shareholders meeting by video conferencing should register with the Company two days prior to the shareholders meeting.</u></p>	(New Article)
<p><b><u>3.4.8.</u></b> <u>In the event of a virtual shareholders meeting, the meeting handbook, annual report and other relevant materials shall be uploaded by the Company to the Virtual Meeting Platform at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.</u></p>	(New Article)
<p><b><u>3.4.9.</u></b> <u>To convene a virtual shareholders meeting, the Company shall state the following in the notice of the shareholders meeting:</u></p> <p><u>(a)The method of shareholders attendance in the virtual meeting and exercising their rights.</u></p> <p><u>(b)The way to deal with obstacles to the Virtual Meeting Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:</u></p> <p><u>(i)The time when the meeting is postponed or resumed due to the persistence of the foregoing disruption, and the date of the postponed or resumed meeting, if any.</u></p> <p><u>(ii)Shareholders who have not registered to attend the original shareholders meeting by video</u></p>	(New Article)

conferencing are not allowed to attend the postponed or resumed meeting.

(iii)In case of a hybrid shareholders meeting, if the video conferencing cannot be continued, then after deducting the number of shares attending the shareholders meeting by video conferencing, if the total number of shares held by the shareholders present reach the quorum for the shareholders meeting, the shareholders meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.

(iv)The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.

(c)Where a virtual shareholders meeting is held, the Company shall include appropriate alternatives for shareholders

<p><u>who have difficulty participating in the shareholders meeting by video conferencing.</u></p>	
<p><b>3.6. <u>Documentation of a shareholders meeting by audio or video</u></b></p> <p><b>3.6.1.</b> The entire process of a shareholders' meeting shall be videotaped <u>and</u> recorded in sound.</p> <p><b>3.6.2.</b> The recorded materials set forth in <u>the preceding paragraph</u> shall be archived for a minimum of one year. <u>However,</u> in case of a litigious action taking place because of inappropriate process to convene the shareholders' meeting or an inappropriate decision resolved, the video or sound archives shall be continually stored until the litigious action is concluded.</p>	<p><b>3.6.</b> The entire process of a shareholders' meeting shall be videotaped or recorded in sound <u>and</u> shall be archived for a minimum of one year. <u>In case of a litigious action taking place because of inappropriate process to convene the shareholders' meeting or an inappropriate decision resolved,</u> the video <u>or</u> sound archives shall be continually stored until the litigious action is concluded.</p>
<p><b>3.6.3.</b> In case of a virtual shareholders meeting, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and video-taped.</p>	<p>(New Article)</p>
<p><b>3.6.4.</b> The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.</p>	<p>(New Article)</p>
<p><b>3.6.5.</b> In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the Virtual Meeting Platform.</p>	<p>(New Article)</p>
<p><b>3.7. <u>Attendance at shareholders meetings</u></b></p> <p><b>3.7.1.</b> Shareholders participating in a</p>	<p><b>3.7.</b> Shareholders participating in a shareholders' meeting shall be duly calculated based on the shares they</p>

<p>shareholders' meeting shall be duly calculated based on the shares they represent. The total number of shares participating in the meeting shall be calculated based on the <u>number of shares represented by those present in person as indicated by the attendance sign-in cards and the number of shares held by shareholders registering their attendance on the Virtual Meeting Platform</u>, plus the number of shares exercising the voting powers in writing or through electronic means.</p> <p><b><u>3.7.2.</u></b> The chairperson of the board of directors meeting shall call the meeting to order <u>and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting</u> at the time scheduled for the meeting.</p> <p><b><u>3.7.3.</u></b> In the event that the meeting is attended by shareholders who represent less than a majority of the total outstanding shares at the time scheduled for the meeting, the chairperson may announce postponement of the meeting. The total number of postponements shall not exceed the maximum of twice and the total time accumulated for the postponement shall not exceed an hour. In the event that the shareholders' meeting is attended by the shareholders who represent cannot reach the quorum after two postponements, the chairperson shall announce that the meeting is aborted. <u>In the event of a virtual shareholders meeting, the adjournment of the meeting shall be announced on the Virtual Meeting Platform.</u></p>	<p>represent. The total number of shares participating in the meeting shall be calculated based on the sign-in cards plus the number of shares exercising the voting powers in writing or through electronic means. The chairperson of the board of directors meeting shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders who represent less than a majority of the total outstanding shares at the time scheduled for the meeting, the chairperson may announce postponement of the meeting. The total number of postponements shall not exceed the maximum of twice and the total time accumulated for the postponement shall not exceed an hour. In the event that the shareholders' meeting is attended by the shareholders who represent cannot reach the quorum after two postponements, the chairperson shall announce that the meeting is aborted.</p>
<p><b><u>3.7.4.</u></b> <u>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the</u></p>	<p>(New Article)</p>



<p><u>shareholders present at the meeting represent one-third or more of the total outstanding shares of the Company, a tentative resolution may be made in accordance with Paragraph 1 of Article 175 of the Company Act of the Republic of China (ROC). A notice of such tentative resolution shall be given to each of the shareholders, and the shareholders meeting shall be reconvened within one month. Shareholders who wish to attend the virtual shareholders meeting by video conferencing shall re-register with the Company in accordance with Article 3.4.7. hereof.</u></p>	
<p><b>3.7.5.</b> <u>If the number of the shares represented by the shareholders present at the shareholders meeting reaches one-half of the total outstanding shares of the Company prior to the end of the meeting, the chairperson may submit the aforementioned tentative resolutions to the shareholders meeting for approval in accordance with Article 174 of the Company Act of the ROC.</u></p>	<p>(New Article)</p>
<p><b>3.9. Shareholder speech</b>  <b>3.9.1.</b> A present shareholder who intends to present a speech shall issue a slip of presentation beforehand. The slip of presentation shall expressly remark the subjects of speech, account number of shareholder (or code of the participation certificate), so that the chairperson may decide the order of presentation.</p>	<p><b>3.9.</b> A present shareholder who intends to present a speech shall issue a slip of presentation beforehand. The slip of presentation shall expressly remark the subjects of speech, account number of shareholder (or code of the participation certificate), so that the chairperson may decide the order of presentation.</p>
<p><b>3.9.2.</b> (Omitted)</p>	<p><b>3.2.1.</b> (Omitted)</p>
<p><b>3.9.3.</b> (Omitted)</p>	<p><b>3.2.2.</b> (Omitted)</p>
<p><b>3.9.4.</b> (Omitted)</p>	<p><b>3.2.3.</b> (Omitted)</p>
<p><b>3.9.5.</b> Where a juristic (corporate) person shareholder appoints two or more representatives to participate in a</p>	<p><b>3.9.4.</b> Where a juristic (corporate) person shareholder appoints two or more representatives to participate in a</p>

<p>shareholders' meeting, only one representative may be appointed from among themselves to speak up for the same issue.</p> <p><b>3.9.6.</b> After a present shareholder gives a presentation, the chairperson may reply in person or by appointing a relevant person to reply.</p>	<p>shareholders' meeting, only one representative may be appointed from among themselves to speak up for the same issue. After a present shareholder gives a presentation, the chairperson may reply in person or by appointing a relevant person to reply.</p>
<p><b>3.9.7.</b> <u>Shareholders participating in the shareholders meeting by video conferencing may ask questions by sending texts on the Virtual Meeting Platform after the chairperson calls the meeting to order and before the meeting is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Articles 3.9.1. to 3.9.5. hereof shall not apply here.</u></p>	<p>(New Article)</p>
<p><b>3.9.8.</b> <u>If the questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the Virtual Meeting Platform.</u></p>	<p>(New Article)</p>
<p><b>3.11.3.</b> In the event that a shareholder intends to participate in a shareholders meeting in person <u>or by video conferencing</u> after he or she has expressed an intent to exercised voting power in writing or by electronic means, he or she shall withdraw the expression of intent in the same manner same as the exercising of the voting power not later than two days preceding the date scheduled for the meeting. Such revocation shall constitute a revocation of the proxy deemed to be given to the <u>chairperson</u> of the shareholders' meeting. If he or she withdraws beyond such deadline, the proxy deemed to be given to the</p>	<p><b>3.11.3.</b> In the event that a shareholder intends to participate in a shareholders' meeting in person after he or she has expressed an intent to exercised voting power in writing or by electronic means, he or she shall withdraw the expression of intent in the same manner same as the exercising of the voting power not later than two days preceding the date scheduled for the meeting. Such revocation shall constitute a revocation of the proxy deemed to be given to the <u>chairman</u> of the shareholders' meeting. If he or she withdraws beyond such deadline, the proxy deemed to be given to the <u>chairman</u> of the shareholders'</p>

<p><u>chairperson</u> of the shareholders' meeting shall not be revoked and the <u>chairperson</u> of the shareholders' meeting shall exercise the voting powers of such shareholder in accordance with the proxy. Where a shareholder exercises voting power in writing or by electronic means and participates in the shareholders' meeting through a proxy, the appointment of the proxy shall be deemed to be a revocation of such shareholder's appointment of the <u>chairperson</u> of the shareholders' meeting as his proxy, and the voting power exercised by his or her proxy shall prevail.</p>	<p>meeting shall not be revoked and the <u>chairman</u> of the shareholders' meeting shall exercise the voting powers of such shareholder in accordance with the proxy. Where a shareholder exercises voting power in writing or by electronic means and participates in the shareholders' meeting through a proxy, the appointment of the proxy shall be deemed to be a revocation of such shareholder's appointment of the <u>chairman</u> of the shareholders' meeting as his proxy, and the voting power exercised by his or her proxy shall prevail.</p>
<p><b>3.11.6.</b> Upon the resolving process, the ballot scrutineer and recorder shall be appointed by the chairperson. The scrutineer, nevertheless, must be chosen from shareholders.</p> <p><b>3.11.7.</b> <u>Counting of the votes for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting.</u> The chairperson shall announce the results of the resolving process, <u>including the statistical tallies of the numbers of votes,</u> on-the-spot and shall put the results into the minutes.</p>	<p><b>3.11.6.</b> Upon the resolving process, the ballot scrutineer and recorder shall be appointed by the chairperson. The scrutineer, nevertheless, must be chosen from shareholders. The chairperson shall announce the results of the resolving process on-the-spot and shall put the results into the minutes.</p>
<p><b>3.11.8.</b> <u>Where the Company convenes a virtual shareholders meeting, after the chairperson calls the meeting to order, shareholders who participate in the shareholders meeting by video conferencing shall vote on each motion and election motion through the Virtual Meeting Platform, and shall complete the voting before the chairperson announces the end of the voting, and any delay shall be deemed as abstention.</u></p>	<p>(New Article)</p>
<p><b>3.11.9.</b> <u>Where the Company convenes a</u></p>	<p>(New Article)</p>

<p><u>virtual shareholders meeting, the Company shall conduct a one-time vote count and announce the voting and election results after the chairperson announces the close of voting.</u></p>	
<p><b><u>3.11.10.</u></b><u>When the Company convenes a hybrid shareholders meeting, shareholders who have registered to attend the shareholders meeting by video conferencing in accordance with Article 3.4.7. but wish to attend the physical shareholders meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders meeting; if they deregister after that time, they may attend the shareholders meeting by video conferencing only.</u></p>	<p>(New Article)</p>
<p><b><u>3.11.11.</u></b><u>Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.</u></p>	<p>(New Article)</p>
<p><b>3.12.</b> Where directors are elected in a shareholders' meeting, the election process shall be duly handled in accordance with election rules enacted by TPK and the outcome of the election <u>(including the names of those who have been elected, and the names of those who have not been elected, as directors, and the numbers of votes cast in the elections)</u> shall be announced on-the-spot. The election ballots shall be tightly sealed and signed by the scrutineer and shall</p>	<p><b>3.12.</b> Where directors are elected in a shareholders' meeting, the election process shall be duly handled in accordance with election rules enacted by TPK and the outcome of the election shall be announced on-the-spot. The election ballots shall be tightly sealed and signed by the scrutineer and shall be appropriately archived for a minimum of one year. In case of a litigious action taking place due to inappropriate process to convene the</p>

<p>be appropriately archived for a minimum of one year. In case of a litigious action taking place due to inappropriate process to convene the shareholders' meeting or in resolving the decisions, the election ballots shall be continually stored until the litigious action is concluded.</p>	<p>shareholders' meeting or in resolving the decisions, the election ballots shall be continually stored until the litigious action is concluded.</p>
<p><b><u>3.13.3.</u></b> <u>If a shareholders meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders meeting, the manner in which the meeting is held, the names of the chairperson and the minute taker, and the manner and situation of handling any interruption from the Virtual Meeting Platform or video participation due to natural disasters, contingencies, or other force majeure.</u></p>	<p>(New Article)</p>
<p><b><u>3.13.4.</u></b> <u>In addition to complying with the provisions of the preceding paragraph, the Company, if convenes a virtual shareholders meeting, shall include in the minutes of the alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.</u></p>	<p>(New Article)</p>
<p><b><u>3.14. Public announcement</u></b>  <b><u>3.14.1.</u></b> <u>For the number of shares solicited by proxy solicitors and the number of shares represented by proxies, as well as those held by shareholders present in writing or by electronic means, TPK shall work out statistical statements based on the specified formula and shall expressly display such statistical statements at the arena where the shareholders' meeting is convened. If a shareholders meeting is held by video</u></p>	<p><b>3.14.</b> For the number of shares solicited by solicitors and the number of shares represented by proxies, TPK shall work out statistical statements based on the specified formula and shall expressly display such statistical statements at the arena where the shareholders' meeting is convened. In the event that an issue resolved in the shareholders' meeting is deemed as major information as defined by laws and ordinances concerned and by the Taiwan Stock Exchange</p>

<p><u>conferencing, the foregoing information shall be uploaded by the Company to the Virtual Meeting Platform at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.</u></p> <p><b>3.14.3.</b> In the event that an issue resolved in the shareholders' meeting is deemed as major information as defined by laws and ordinances concerned and by the Taiwan Stock Exchange Corporation (TSEC), TPK shall transmit such information to the Market Observation Post System (MOPS) within the specified time limit.</p>	<p>Corporation (TSEC), TPK shall transmit such information to the Market Observation Post System (MOPS) within the specified time limit.</p>
<p><b>3.14.2.</b> <u>In case of a virtual shareholders meeting, the total number of shares represented at the meeting shall be disclosed on the Virtual Meeting Platform when the meeting is called to order. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p>	<p>(New Article)</p>
<p><b>3.17. Disclosure of information at virtual meetings</b></p> <p><b>3.17.1.</b> <u>Where the Company convenes a virtual shareholders meeting, the voting results of each motion and the election results shall be disclosed by the Company on the Virtual Meeting Platform in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the chairperson announces the adjournment of the meeting.</u></p>	<p>(New Article)</p>
<p><b>3.18. Location of the chairperson and minute taker of virtual shareholders meeting</b></p> <p><b>3.18.1.</b> <u>When the Company holds a virtual shareholders meeting, the chairperson and minute taker shall be</u></p>	<p>(New Article)</p>

<u>present at the same place in the ROC, and the chairperson shall declare the address of their location when the meeting is called to order.</u>	
<b><u>3.19. Handling of disconnection</u></b> <b><u>3.19.1.</u></b> <u>In case of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders before the meeting and provide relevant real-time services before and during the meeting to help resolve technical communication issues.</u>	(New Article)
<b><u>3.19.2.</u></b> <u>In case of a virtual shareholders meeting, the chairperson, when calling the meeting to order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairperson announces the adjournment of the meeting, there is any interruption to participation on the Virtual Meeting Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or resumed within five days, in which case Article 182 of the Company Act of the ROC shall not apply.</u>	(New Article)
<b><u>3.19.3.</u></b> <u>In the event of a postponement or reconvening of a meeting under the preceding paragraph, shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the postponed or resumed meeting.</u>	(New Article)
<b><u>3.19.4.</u></b> <u>For those shareholders who have</u>	(New Article)

<p><u>registered to attend the original shareholders meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or resumed meeting, their number of shares, voting rights and election rights exercised at the original shareholders meeting shall be counted as the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting.</u></p>	
<p><b><u>3.19.5.</u></b> <u>If the shareholders meeting is postponed or resumed in accordance with Article 3.19.2., it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors elected have been announced.</u></p>	(New Article)
<p><b><u>3.19.6.</u></b> <u>In the event that the Company convenes a hybrid shareholders meeting and the virtual meeting cannot continue as described in Article 3.19.2., and if, after deducting the number of shares present at the shareholders meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders meeting, the shareholders meeting shall continue, without being postponed or resumed in accordance with Article 3.19.2.</u></p>	(New Article)
<p><b><u>3.19.7.</u></b> <u>In the event that a meeting should be continued in accordance with the preceding paragraph, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted towards the total number of shares represented by shareholders present at the meeting, but shall be</u></p>	(New Article)



<u>deemed to be abstained for all motions at that meeting.</u>	
<b><u>3.19.8.</u></b> <u>If the Company postpones or resumes a shareholders meeting in accordance with Article 3.19.2., the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u>	(New Article)
<b><u>3.19.9.</u></b> <u>The Company shall postpone or resume the shareholders meeting in accordance with Article 3.19.2. within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and that specified in Paragraph 2 of Article 44-5, Article 44-15, or Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u>	(New Article)
<b><u>3.20. Handling of digital divide</u></b> <b><u>3.20.1.</u></b> <u>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.</u>	(New Article)
<b><u>4. Amendment</u></b> Any matters insufficiently provided for in these Regulations shall be in accordance with relevant laws and regulations and the Amended and Restated Memorandum of Association and Articles of Association of the Company. These Regulations and amendment hereof shall be put into	<b><u>3.17.</u></b> Any matters insufficiently provided for in these Regulations shall be in accordance with relevant laws and regulations and the Amended and Restated Memorandum of Association and Articles of Association of the Company. These Regulations and amendment hereof shall be put into enforcement after

<p>enforcement after being resolved in the shareholders' meeting. These Regulations and amendments shall be amended in a timely manner if any relative Acts or laws have been modified and shall follow such rule to be approved by the board of directors (or Audit Committee) and/or shareholders' meeting.</p> <p>These Regulations were enacted and approved by the 1<sup>st</sup> shareholders' meeting held on January 8, 2010.</p> <p>The first amendment was approved by the shareholders' meeting held on April 13, 2010.</p> <p>The second amendment was approved by the shareholders' meeting held on May 16, 2012.</p> <p>The third amendment was approved by the shareholders' meeting held on June 12, 2015.</p> <p>The fourth amendment was approved by the shareholders' meeting held on June 10, 2020.</p> <p><u>The fifth amendment was approved by the shareholders' meeting held on June 6, 2023.</u></p>	<p>being resolved in the shareholders' meeting. These Regulations and amendments shall be amended in a timely manner if any relative Acts or laws have been modified and shall follow such rule to be approved by the board of directors (or Audit Committee) and/or shareholders' meeting.</p> <p>These Regulations were enacted and approved by the 1<sup>st</sup> shareholders' meeting held on January 8, 2010.</p> <p>The first amendment was approved by the shareholders' meeting held on April 13, 2010.</p> <p>The second amendment was approved by the shareholders' meeting held on May 16, 2012.</p> <p>The third amendment was approved by the shareholders' meeting held on June 12, 2015.</p> <p>The fourth amendment was approved by the shareholders' meeting held on June 10, 2020.</p>
<p><b><u>5.</u> Highlights of management:</b></p> <p><b><u>5.1.</u></b> Whether the duties to be handled by the agent for stock affairs and by TPK itself internally have been expressly divided.</p> <p><b><u>5.2.</u></b> Whether the process of the shareholders' meeting has satisfied laws and ordinances concerned.</p> <p><b><u>5.3.</u></b> Whether the major decisions resolved in the special (extraordinary) meeting of shareholders have been put into public announcement through the specified website.</p> <p><b><u>5.4.</u></b> Whether the relevant documents have been duly archived within the legally specified time limit (including the election ballots and relevant records).</p>	<p><b><u>4.</u> Highlights of management:</b></p> <p><b><u>4.1.</u></b> Whether the duties to be handled by the agent for stock affairs and by TPK itself internally have been expressly divided.</p> <p><b><u>4.2.</u></b> Whether the process of the shareholders' meeting has satisfied laws and ordinances concerned.</p> <p><b><u>4.3.</u></b> Whether the major decisions resolved in the special (extraordinary) meeting of shareholders have been put into public announcement through the specified website.</p> <p><b><u>4.4.</u></b> Whether the relevant documents have been duly archived within the legally specified time limit (including the election ballots and relevant records).</p>
<p><b><u>6.</u> Document of authority: Nil</b></p>	<p><b><u>5.</u> Document of authority: Nil</b></p>

<u>7.</u> <b>Forms used: Nil</b>	<u>6.</u> <b>Forms used: Nil</b>
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# Appendix

**THE COMPANIES ACT (AS REVISED)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

**OF**

**TPK Holding Co., Ltd.**

- Incorporated November 21, 2005 -

(as adopted by a Special Resolution dated as of June 23, 2022)

**THE COMPANIES ACT (AS REVISED)**  
**OF THE CAYMAN ISLANDS**  
**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**  
**OF**  
**TPK Holding Co., Ltd.**

(as adopted by a Special Resolution dated as of June 23, 2022)

- 1     The name of the Company is TPK Holding Co., Ltd.
- 2     The registered office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, or at such other place as the Directors may from time to time decide.
- 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 the Companies Act (As Revised) or as the same may be revised from time to time, or any other law of the Cayman Islands.
- 4     The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
- 5     The authorised capital of the Company is New Taiwan Dollars \$6,000,000,000, divided into 600,000,000 shares of New Taiwan Dollars \$10.00 each, provided always that subject to the provisions of the Companies Act (As Revised) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to sub-divide or consolidate the said shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of 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.

- 6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
- 7 Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

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**THE COMPANIES ACT (AS REVISED)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED  
ARTICLES OF ASSOCIATION**

**OF**

**TPK Holding Co., Ltd.**

(as adopted by a Special Resolution dated as of June 23, 2022)

**1 Interpretation**

- 1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

<b>“Applicable Public Company Rules”</b>	means the R.O.C. laws, rules and regulations affecting public reporting companies or companies listed on any R.O.C. stock exchange or securities market, including, without limitation, the relevant provisions of the Company Law, Securities and Exchange Law, the Enterprise Mergers and Acquisitions Law, the rules and regulations promulgated by the Ministry of Economic Affairs, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TWSE and the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area and its relevant regulations.
<b>“Annual Net Income”</b>	means the audited annual net profit of the Company in respect of the applicable year.
<b>"Articles"</b>	means these articles of association of the Company.
<b>"Communication Facilities"</b>	shall mean video, video-conferencing, internet or online -conferencing and/or any other video-communication facilities permitted under the Applicable Public Company Rules.
<b>"Company"</b>	means the above named company.
<b>"Directors"</b>	means the directors for the time being of the Company (which, for clarification, includes any and all Independent Director(s)).
<b>"Dividend"</b>	includes an interim dividend.



<b>"Electronic Record"</b>	has the same meaning as in the Electronic Transactions Act.
<b>"Electronic Transactions Act"</b>	means the Electronic Transactions Act (As Revised) of the Cayman Islands.
<b>"FSC"</b>	means the Financial Supervisory Commission of the R.O.C.
<b>"Independent Directors"</b>	means the Directors who are elected by the Members as "Independent Directors" for the purpose of the Applicable Public Company Rules which are in force from time to time.
<b>"Market Observation Post System"</b>	means the public company reporting system maintained by the TWSE, via <a href="http://newmops.twse.com.tw/">http://newmops.twse.com.tw/</a> .
<b>"Member"</b>	has the same meaning as in the Statute.
<b>"Memorandum"</b>	means the memorandum of association of the Company.
<b>"Merger"</b>	participating in such transaction are dissolved, and a new company is incorporated to generally assume all rights and obligations of the dissolved companies or (ii) all but one company participating in such transaction are dissolved, and the surviving company generally assumes all rights and obligations of the dissolved companies, and in each case the consideration for the transaction being the shares of the surviving or newly incorporated company or any other company, cash or other assets.
<b>"Non TWSE-Listed or TPEX-Listed Company"</b>	refers to a company whose shares are neither listed on the TWSE (defined below) nor the Taipei Exchange.
<b>"Ordinary Resolution"</b>	means a resolution passed by a simple majority of votes cast by the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.
<b>"Paid-in Capital"</b>	means the amount calculated by the par value of the total outstanding Shares of the Company.
<b>"Private Placement"</b>	means, when the shares are listed on the TWSE, the private placement by the Company of shares or other securities of the Company to any qualified specific person(s) as permitted under and in accordance with the Applicable Public Company Rules.

<b>"Register of Members"</b>	means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
<b>"Registered Office"</b>	means the registered office for the time being of the Company.
<b>"R.O.C."</b>	means the Republic of China.
<b>"Seal"</b>	means the common seal of the Company and includes every duplicate seal.
<b>"Share" and "Shares"</b>	means a share or shares in the Company.
<b>"Share Certificate" and "Share Certificates"</b>	means a certificate or certificates representing a Share or Shares.
<b>"Share Swap"</b>	refers to an act wherein the shareholders of a company transfer all of the company's issued shares to another company, such company issue its shares or pays cash or other property to the shareholders of the first company as consideration for the transfer in accordance with the Applicable Public Company Rules.
<b>"Solicitor"</b>	means any Member, a trust enterprise or a securities agent mandated by Member(s) who solicits an instrument of proxy from any other Member to appoint him/it as a proxy to attend and vote at a general meeting instead of the appointing Member pursuant to the Applicable Public Company Rules.
<b>"Special Resolution"</b>	means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given.
<b>"Spin-off"</b>	refers to an act wherein a transferor company transfers all or part of its independently operated business to an existing or a newly incorporated company and that existing transferee company or newly incorporated transferee company issues shares, or pays cash or other property to the transferor company or to shareholders of the transferor company as consideration in accordance with the Applicable Public Company Rules.
<b>"Statute"</b>	means the Companies Act (As Revised) of the Cayman

**“Subsidiary” and  
“Subsidiaries”**

Islands.

means (i) a subordinate company in which the total number of voting shares or total share equity held by the Company represents more than one half of the total number of issued voting shares or the total share equity of such subordinate company; or (ii) a company in which the total number of shares or total share equity of that company held by the Company, its subordinate companies and its controlled companies, directly or indirectly, represents more than one half of the total number of issued voting shares or the total share equity of such company.

**“Supermajority  
Resolution”**

means (i) a resolution adopted by a majority vote of the Members present and entitled to vote on such resolution at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total outstanding Shares of the Company or (ii) if the total number of Shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding Shares of the Company, but more than half of the total outstanding Shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution.

**“TDCC”**

means the Taiwan Depository & Clearing Corporation.

**"Treasury Shares"**

means a Share held in the name of the Company as a treasury share in accordance with the Statute and the Applicable Public Company Rules.

**“TWSE”**

means the Taiwan Stock Exchange Corporation.

**"Virtual Meeting"**

shall mean any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.

1.2 In the Articles:

- (a) words importing the singular number include the plural number and vice versa;
- (b) words importing the masculine gender include the feminine gender;

- (c) words importing persons include corporations;
- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (g) headings are inserted for reference only and shall be ignored in construing the Articles; and
- (h) Section 8 and 19(3) of the Electronic Transactions Act shall not apply.

## **2 Commencement of Business**

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

## **3 Issue of Shares**

- 3.1 Subject to the provisions, if any, in the Statute, the Memorandum, the Articles and Applicable Public Company Laws (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to sub-divide or consolidate the said Shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of 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.
- 3.2 The Company shall not issue Shares to bearer.
- 3.3 The Company shall not issue any unpaid Shares or partly paid-up Shares.

#### **4 Register of Members**

- 4.1 The Directors shall keep, or cause to be kept, the Register of Members at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register of Members shall be kept at the Office.
- 4.2 If the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Directors think fit. The principal register and the branch register(s) shall together be treated as the Register of Members for the purposes of the Articles.
- 4.3 For so long as any Shares are traded on the TWSE, the record of the shareholders of the Company maintained by TDCC shall be a branch register.

#### **5 Closing Register of Members or Fixing Record Date**

- 5.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other purpose, the Directors shall determine the period that the Register of Members shall be closed for transfers and such period shall not be less than the minimum period of time as prescribed by the Applicable Public Company Rules.
- 5.2 Subject to Article 5.1 hereof, in lieu of, or apart from, closing the Register of Members, the Directors may fix a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other purpose. In the event the Directors designate a record date in accordance with this Article 5.2 the Directors shall make a public announcement of such record date via the Market Observation Post System in accordance with the Applicable Public Company Rules.
- 5.3 The rules and procedures governing the implementation of book closed periods, including notices to Members in regard to book closed periods, shall be in accordance with policies adopted by the Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

#### **6 Share Certificates**

- 6.1 Subject to the provisions of the Statute, the Company shall issue Shares without printing Share Certificates for the Shares issued, and the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Public Company Rules. A Member shall only be entitled to a Share Certificate if the Directors resolve that Share Certificates shall be issued. Share Certificates, if any,

shall be in such form as the Directors may determine. Share Certificates shall be signed by one or more Directors authorised by the Directors. The Directors may authorise Share Certificates to be issued with the authorised signature(s) affixed by mechanical process. All Share Certificates shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All Share Certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles. No new Share Certificate shall be issued until the former Share Certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

- 6.2 In the event that the Directors resolve that Share Certificates shall be issued pursuant to Article 6.1 hereof, the Company shall deliver the Share Certificates to the subscribers within thirty days from the date such Share Certificates may be issued pursuant to the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such Share Certificates pursuant to the Applicable Public Company Rules.
- 6.3 If a Share Certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old Share Certificate.

## **7 Preferred Shares**

- 7.1 The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution.
- 7.2 Prior to the issuance of any Preferred Shares approved pursuant to Article 7.1 hereof, the Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Public Company Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:
- (a) Order, fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
  - (b) Order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (c) Order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;

- (d) Other matters concerning rights and obligations incidental to Preferred Shares; and
- (e) The method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.

## **8 Issuance of New Shares**

- 8.1 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 authorised capital of the Company.
- 8.2 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its capital by issuing new Shares for cash, after allocation of the Public Offering Portion (as defined below) and the Employee Subscription Portion (as defined below), the Company shall make a public announcement and notify each Member that he/she/it is entitled to exercise a pre-emptive right to purchase his/her/its pro rata portion of any remaining new Shares issued in the capital increase in cash. A waiver of such pre-emptive right may be approved at the same general meeting where the subject issuance of new Shares is approved by the Members. The Company shall state in such announcement and notices to the Members that if any Member fails to purchase his/her/its pro rata portion of the newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his/her/its pre-emptive right to purchase the newly-issued Shares. In the event that Shares held by a Member are insufficient for such Member to exercise the pre-emptive right to purchase one newly-issued Share, Shares held by several Members may be calculated together for joint purchase of newly-issued Shares or for purchase of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may offer any un-subscribed new Shares to be issued to the public in Taiwan or to specific person or persons according to the Applicable Public Company Rules. If any person who has subscribed the new shares but fails to pay when due the subscription price in full within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription or the Company may declare a forfeiture of the subscription. No forfeiture of the subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer.

Upon forfeiture of the subscription, the shares that remain unsubscribed shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.

- 8.3 Where the Company increases its capital in cash by issuing new Shares in Taiwan, the Company shall allocate 10% 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, as determined by the Directors according to the Applicable Public Company Rules and/or the instruction of the FSC or TWSE, for the Company to conduct the aforementioned public offering; provided however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail ("Public Offering Portion"). The Company may also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its Subsidiaries (the "Employee Subscription Portion"). The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.
- 8.4 Members' rights to subscribe for newly-issued Shares may be transferred independently from the Shares from which such rights are derived. The rules and procedures governing the transfer of rights to subscribe for newly-issued Shares shall be in accordance with policies established by the Company from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- 8.5 The pre-emptive right of Members provided under Article 8.2 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes: (a) in connection with a Merger with another company, the Spin-off of the Company, a Share Swap, or pursuant to any reorganization of the Company; (b) in connection with meeting the Company's obligations under Share subscription warrants and/or options, including those referenced in Article 11; (c) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares; (d) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; (e) in connection with a Private Placement; or (f) in connection with the issue of Restricted Shares in accordance with Article 8.7.
- 8.6 The periods of notice and other rules and procedures for notifying Members and implementing the exercise of the Members' pre-emptive rights shall be in accordance with policies established by the Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.



- 8.7 The Company may issue new Shares with restricted rights ("Restricted Shares") solely to employees of the Company and its Subsidiaries by Supermajority Resolution provided that Article 8.3 shall not apply. The terms of issue of Restricted Shares, including but not limited to the number, issue price and other related matters, shall comply with the Applicable Public Company Rules.

## **9 Transfer of Shares**

- 9.1 Subject to the Statute and the Applicable Public Company Rules, Shares issued by the Company shall be freely transferable, provided that any Shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not longer than two years, in each case as the Directors may determine in their discretion.
- 9.2 Subject to the requirements of the applicable laws of the Cayman Islands, transfers of uncertificated Shares which are traded on the TWSE may be effected by any method of transferring or dealing in securities introduced by TWSE or operated in accordance with the Applicable Public Companies Rules as appropriate and which have been approved by the Board for such purpose.
- 9.3 The Board may, subject to the applicable laws of the Cayman Islands and if so permitted, allow shares of any class in the Company held in uncertificated form to be transferred without an instrument of transfer by means of a relevant system, including that of the TDCC. Regarding Shares held in uncertificated form, the Company shall, by notice, require the holder of that uncertified Share to give instructions, or appoint a person to give instructions, necessary to transfer title to that Share by means of the relevant system pursuant to the applicable regulations, the facilities and the requirements of the relevant system; provided that such instructions shall be subject always to these Articles and the laws of the Cayman Islands and the Applicable Public Company Rules.

## **10 Repurchase of Shares**

- 10.1 Subject to the provisions of the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, repurchase its own Shares (including any redeemable shares). In the event that the Company proposes to purchase any Share listed on the TWSE pursuant to this Article, the approval of the Board and the implementation thereof should be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its Shares listed on the TWSE for any reason.

- 10.2 The Company may make a payment in respect of the repurchase of its own Shares in any manner permitted by the Statute and the Applicable Public Company Rules.
- 10.3 Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as Treasury Shares at the discretion of the Directors.
- 10.4 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 of the Company) may be made to the Company in respect of a Treasury Share.
- 10.5 After the Company purchases the Shares listed on the TWSE, any proposal to transfer Treasury Shares to any employee of the Company and its Subsidiaries by the Company at a price below the average repurchase price paid by the Company for Shares repurchased by the Company pursuant to the Board resolution which approved the repurchase of the relevant Treasury Share (the "Average Purchase Price") shall be approved by a resolution passed by two-thirds or more of the Members present at the general meeting who represent a majority of the total number of the Company's outstanding Shares as at the date of such general meeting. The notice of the general meeting shall list and explain the following matters, which may not be made by an ad hoc motion:
- (a) the basis of and justification for the reasonableness of the determined transfer price and the discount to the Average Purchase Price and the calculation thereof;
  - (b) the number of shares to be transferred, the purpose of the share transfer and justification of the reasonableness of the share transfer;
  - (c) any conditions attaching to the transfer, including but not limited to the employees qualified for the purchase and the number of Shares that the employees may purchase; and
  - (d) any effect of the transfer on rights of the Members, including:
    - (i) the dilutive effect which the transfer will have on other Members of the Company; and
    - (ii) any financial burden to the Company caused by a transfer of Treasury Shares to employees at a price lower than the Average Purchase Price.

The aggregate number of Treasury Shares to be transferred to employees pursuant to this Article shall not exceed five percent of the Company's total issue and outstanding shares as at the date of transfer of any Treasury Shares and the aggregate number of Treasury Shares transferred to any individual employee shall not exceed 0.5 percent of the Company's total issued and outstanding shares as at the date of transfer of any Treasury Shares to such employee. The Company may impose restrictions on the transfer of such Shares by the employees for a period of no more than two years.

- 10.6 Subject to the Articles and the Applicable Public Company Rules, the Board may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper.
- 10.7 The repurchase of the Company's own Shares shall be in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules.

## **11 Employee Incentive Programme**

- 11.1 Notwithstanding Article 8.7 in relation to the Restricted Shares, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the Directors from time to time in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- 11.2 Options, warrants or other similar instruments issued in accordance with Article 11.1 above are not transferable save by inheritance.
- 11.3 The Company may enter into share option agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 11.1 above, whereby employees may subscribe, within a specific period of time, a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- 11.4 Directors of the Company and its Subsidiaries shall not be eligible for the Restricted Shares issued under Article 8.7 or the employee incentive programmes under this Article 11, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an employee incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.

## **12 Variation of Rights of Shares**

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

Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of Shares.

12.2 The provisions of the Articles relating to general meetings shall apply to every class meeting of the holders of the same class of the Shares.

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

### **13 Transmission of Shares**

13.1 If a Member dies, the survivor or survivors where he was a joint holder, or his legal personal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share which had been jointly held by him.

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

### **14 Amendments of Memorandum and Articles of Association and Alteration of Capital**

14.1 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

- (a) change its name;
- (b) alter or add to these Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund;
- (e) increase its authorised share capital by such sum as the resolution shall prescribe or cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person, provided that in the event of any change to its authorised share capital, the Company shall also procure the amendment of its Memorandum by the Members to reflect such change; and
- (f) issue securities by way of Private Placement within the territory of the R.O.C in accordance with the Applicable Public Company Rules.

14.2 Subject to the provisions of the Statute, the Applicable Public Company Rules and Article 14.3 of these Articles, the Company shall not, without a Supermajority Resolution:

- (a) sell, transfer or lease of whole business of the Company or other matters which has a material effect on the Members' rights and interests;
- (b) discharge or remove any Director;
- (c) approve any action by one or more Director(s) who is engaging in business conduct for him/herself or on behalf of another person that is within the scope of the Company's business;
- (d) effect any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof, or make distributions, in the form of new Shares or cash, to the Members out of the capital reserve derived from the share premium and income from endowments received by the Company;
- (e) effect any Merger, Spin-off or Share Swap, provided that any Merger which falls within the definition of "merger and/or consolidation" under the Statute shall also be subject to the requirements of the Statute;
- (f) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation with others;
- (g) transfer its business or assets, in whole or in any essential part, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (h) acquire or assume the whole business or assets of another person, which has material effect on the Company's operation.

14.3 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company shall not, without passing a resolution adopted by a majority of not less than two-thirds of the total number of votes represented by the issued shares in the Company:

- (a) enter into a Merger, in which the Company is not the surviving company and is proposed to be struck-off and thereby dissolved, which results in a delisting of the Shares on the TWSE, and the surviving or newly incorporated company is a Non TWSE-Listed or TPEX-Listed Company;
- (b) make a general transfer of all the business and assets of the Company, which results in a delisting of the Shares on the TWSE, and the assigned company is a Non TWSE-Listed or TPEX-Listed Company;
- (c) be acquired by another company as its wholly-owned subsidiary by means of a Share Swap, which results in a delisting of the Shares on the TWSE, and the acquirer is a Non TWSE-Listed or TPEX-Listed Company; or

- (d) carry out a Spin-off, which results in a delisting of the Shares on the TWSE, and the surviving or newly incorporated spun-off company is a Non TWSE-Listed or TPEX-Listed Company.
- 14.4 Subject to the provisions of the Statute, the provisions of these Articles, and the quorum requirement under the Applicable Public Company Rules, 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 the reason stated in Article 14.4(a) above.
- 14.5 Any return of capital made in accordance with the Statute and the Applicable Public Company Rules shall be effected based on the percentage of shareholding of the Members pro rata.
- 14.6 Subject to the Statute, these Articles and the Applicable Public Company Rules if the Company proposes, in connection with any return of capital, to distribute specific assets owned by the Company to the Members, the type of specific assets and the corresponding amount of such substitutive distribution to the Members shall be approved at a general meeting and be agreed by the Member who will receive such assets; provided, however, that, the value of specific assets and the corresponding amount of such substitutive distribution shall be assessed by an ROC certified public accountant before the Board submits the same to a general meeting for approval.
- 15 Registered Office**
- Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.
- 16 General Meetings**
- 16.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 16.2 The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, and shall specify the meeting as such in the notices calling it. At these meetings, the report of the Directors (if any) shall be presented.
- 16.3 The Company shall hold an annual general meeting every year.
- 16.4 The general meetings shall be held at such time and place as the Directors shall appoint provided that unless otherwise provided by the Statute or this Article 16.4, the physical general meetings shall be held in Taiwan. For physical general meetings to be held outside Taiwan, the Company shall comply with the relevant procedures and approvals prescribed by the relevant authority in Taiwan. Where a general meeting is to be held outside Taiwan, the Company shall engage a professional securities agent

- in Taiwan to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).
- 16.5 The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.
- 16.6 A Members requisition is a requisition of Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year.
- 16.7 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.
- 16.8 If the Directors do not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules.
- 16.9 Any one or more Members holding in aggregate more than half of the total number of the issued Shares of the Company for at least three (3) consecutive months may convene an extraordinary general meeting. The period during which a Member holds the Shares and the number of Shares held by a Member shall be determined based on the Register of Members as of the book close date of the relevant extraordinary general meeting.
- 16.10 The board of Directors or any person who is entitled to call or convene a general meeting under these Articles may demand the Company or the Company's securities agent to provide the Register of Members.
- 16.11 A general meeting may be held by Virtual Meeting or other methods announced by the competent authority of the ROC in charge of the ROC Company Act.
- 16.12 Where a general meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, a Member who has participated in such general meeting by means of use of such Communication Facilities at such meeting shall be deemed to be present in person at such general meeting.
- 16.13 The prerequisites, procedures, and other matters to be complied with in connection with holding a general meeting by Virtual Meeting shall follow the Applicable Public Company Rules.

## **17 Notice of General Meetings**

- 17.1 At least thirty days' notice to each Member shall be given of any annual general meeting, and at least fifteen days' notice to each Member shall be given of any extraordinary general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in accordance with the Applicable Public Company Rules, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed by all the Members (or their proxies) entitled to attend such general meeting.
- 17.2 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.
- 17.3 The Company shall make a public announcement publishing the notice of the general meeting, the proxy instrument, agendas and materials relating to matters for approval and matters for discussion (including but not limited to any election or discharge of Directors) to be discussed at the general meeting via the Market Observation Post System in accordance with Article 17.1 hereof, and shall transmit the same via the Market Observation Post System. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document used for the exercise of voting power together with the above mentioned materials. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules twenty-one days prior to the annual general meetings or, in the case of extraordinary general meetings, fifteen days prior to such meeting. If the Company's total paid-in capital reaches NT\$10 billion as of the last day of the most recent fiscal year, or if the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reaches 30% as recorded in the Register of Members as of the date of the general meeting held in the most recent fiscal year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty (30) days prior to the day on which an annual general meeting is to be held.
- 17.4 Subject to the provisions of the Applicable Public Company Rules, Member may bring up an ad hoc motion at a general meeting provided that such ad hoc motion shall directly pertain to the matters to be discussed in such general meeting as set forth in



the notice thereof. Matters pertaining to (a) election or discharge of Directors, (b) alteration of the Articles, (c) capital reduction, (d) application for de-registration as a public company in the R.O.C., (e)(i) dissolution, Merger, Spin-off or Share Swap, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the whole or any material part of the business or assets of the Company, (iv) acceptance of the transfer of the whole business or assets of another person, which has a material effect on the business operation of the Company, (f) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business, (g) distribution of the whole or a part of the surplus profit of the Company in the form of new Shares, (h) capitalization of statutory reserve, and/or making distributions, in the form of new Shares or cash, to the Members out of the capital reserve derived from the share premium and income from endowments received by the Company, and/or capitalization any other amount in accordance with Article 35, and (i) the Private Placement of any equity-type securities issued by the Company, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion. The material content may be uploaded onto the Market Observation Post System or the website designated by the Company in accordance with the Applicable Public Company Rules, and such website shall be indicated in the notice of general meeting.

- 17.5 The board of Directors shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's securities agent located in Taiwan. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review, transcribe or make copies of the foregoing documents. The Company shall procure the Company's securities agent to provide such Member(s) with access to above documents.
- 17.6 The Company shall make all statements and records prepared by the board of Directors and the report prepared by the audit committee, if any, available at the office of its registrar (if applicable) and its securities agent located in Taiwan in accordance with Applicable Public Company Rules and the Statute. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such an inspection and review.

## **18 Proceedings at General Meetings**

- 18.1 No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Articles, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.
- 18.2 The board of Directors shall submit business reports, financial statements and proposals for distribution of profits or covering of losses prepared by it for the purposes of annual general meetings of the Company for ratification or approval by the Members as required by the Applicable Public Company Rules. After ratification or approval by the general meeting, the board of Directors shall distribute copies or make a public announcement of the ratified financial statements and the Company's resolutions on the allocation and distribution of profits or covering of loss, to each Member in accordance with the Applicable Public Company Rules.
- 18.3 Unless otherwise expressly provided herein and subject to the Applicable Public Company Rules, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with the Articles.
- 18.4 If a general meeting is called by the Directors, the chairman of the Directors shall preside as the chair of such general meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the vice chairman of the Directors shall act in lieu of the chairman. If there is no vice chairman of the Directors, or if the vice chairman of the Directors is also on leave of absence, or cannot exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the general meeting shall elect one from among themselves to act as the chair at such general meeting in lieu of the chairman. If a general meeting is called by any person(s) other than the Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who has called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

- 18.5 A resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands. In computing the required majority when a poll is demanded regard should be had to the number of votes to which each Member is entitled by the Articles.
- 18.6 In the case of an equality of votes, the chairman shall not be entitled to a second or casting vote.
- 18.7 Nothing in the Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution. The Taipei District Court, R.O.C., shall be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 18.8 Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 18.9 Member(s) holding 1% or more of the total number of outstanding Shares immediately prior to the relevant book closed period may propose to the Company a proposal for discussion at an annual general meeting in writing or by electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Proposals shall be included in the agenda except where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) the matter of such proposal may not be resolved by a general meeting, (c) the proposing Member has proposed more than one proposal, (d) such proposal is submitted on a day beyond the deadline announced by the Company for accepting the Member's proposals, or (e) the proposal exceeds 300 Chinese characters. If any of the proposals submitted by such Member(s) is to urge the Company to promote public interests or fulfill its social responsibilities, the board of Directors may accept such proposal to be discussed at a general meeting.

## **19 Votes of Members**

- 19.1 Subject to any rights or restrictions attached to any Shares, every Member who is present in person or by proxy shall have one vote for every Share of which he is the holder.
- 19.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.

- 19.3 Any objection raised to the qualification of any voter by a Member having voting rights shall be referred to the chairman whose decision shall be final and conclusive.
- 19.4 Votes may be cast either personally or by proxy. A Member may appoint only one proxy under one instrument to attend and vote at a meeting.
- 19.5 Subject to any rights, privileges or restrictions attached to any Share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every Share of which he is the holder. A Member holding more than one Share is required to cast the votes in respect of his Shares in the same way on any resolution at a general meeting unless he holds the Shares for benefit of others, in which case, he may cast votes on the Shares in different way in accordance with the Applicable Public Company Rules (including the Applicable Public Company Rules relating to qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising such split voting).
- 19.6 If a general meeting is to be held, the Company shall provide the Members with a method for exercising their voting power at such general meeting by way of an electronic transmission. Where the voting power of a member may be exercised by way of a written ballot or by way of an electronic transmission at a general meeting, the methods shall be described in the general meeting notice given to the Members in respect of the relevant general meeting. A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company 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, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc resolution or amendment to the original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.
- 19.7 A Member who has submitted a vote by written ballot or electronic transmission

pursuant to Article 19.6 may, at least two days prior to the date of the relevant general 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 19.6. If a Member who has submitted a written ballot or electronic transmission pursuant to Article 19.6 does not submit such a revocation before the prescribed time, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6 shall not be revoked and the chairman of the general meeting shall exercise the voting right of such Member in accordance with that proxy.

- 19.8 If, subsequent to submitting a written ballot or electronic transmission pursuant to Article 19.6, a Member submits a proxy appointing a person of the general meeting as his proxy to attend the relevant general meeting on his behalf, then the subsequent appointment of that person as his proxy shall be deemed to be a revocation of such Member's deemed appointment of the chairman of the general meeting as his proxy pursuant to Article 19.6.

## **20 Proxies**

- 20.1 An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 20.2 Obtaining an instrument of proxy for attendance of general meetings shall be subject to the following conditions:
- (a) the instrument of proxy shall not be obtained in exchange for money or any other interest, provided that this provision shall not apply to souvenirs for a general meeting distributed on behalf of the Company or reasonable fees paid by the Solicitor to any person mandated to handle proxy solicitation matters;
  - (b) the instrument of proxy shall not be obtained in the name of others; and
  - (c) an instrument of proxy obtained through solicitation shall not be used as a non-solicited instrument of proxy for attendance of a general meeting.
- 20.3 Except for the securities agent, a person shall not act as the proxy for more than thirty Members. Any person acting as proxy for three or more Members shall submit to the Company or its securities agent (a) a statement of declaration declaring that the instruments of proxy are not obtained for the purpose of soliciting on behalf of himself/herself or others; (b) a schedule showing details of such instruments of proxy; and (c) the signed or sealed instruments of proxy, in each case, five days prior to the date of the general meeting.
- 20.4 The Company may mandate a securities agent to act as the proxy for the Members for any general meeting provided that no resolution in respect of the election of Directors

is proposed to be voted upon at such meeting. Matters authorized under the mandate shall be stated in the instructions of the instruments of proxy for the general meeting concerned. A securities agent acting as the proxy shall not accept general authorisation from any Member, and shall, within five days after each general meeting of the Company, prepare a compilation report of general meeting attendance by proxy comprising the details of proxy attendance at the general meeting, the status of exercise of voting rights under the instrument of proxy, a copy of the contract, and other matters as required by the R.O.C. securities competent authorities, and maintain the compilation report available at the offices of the securities agent.

- 20.5 Except for trust enterprises organized under the laws of the R.O.C. or a securities agent approved pursuant to Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant book closed period; any vote in respect of the portion in excess of such 3% threshold shall not be counted. For the avoidance of doubt, the number of the Shares to be represented by a securities agent mandated by the Company in accordance with Article 20.4 shall not be subject to the limit of 3% of the total number of the outstanding voting Shares set forth herein.
- 20.6 The Shares represented by a person acting as the proxy for three or more Members shall not be more than four times of the number of Shares held by such person and shall not exceed 3% of the total number of the outstanding Shares.
- 20.7 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail; provided, however, that a Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his/her/its voting power by way of a written ballot or electronic transmission, such Member shall, at least two days prior to such general meeting, serve the Company with a separate notice revoking his/her/its previous appointment of the proxy. Votes by way of proxy shall remain valid if such Member fails to revoke his/her/its appointment of such proxy before the prescribed time.
- 20.8 The instrument of proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote where more than one instrument to vote received from the same Member by the Company, the first instrument received shall prevail, unless an

explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

- 20.9 The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the Solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 20.10 In the event that a resolution in respect of the election of Directors is proposed to be voted upon at a general meeting, each instrument of proxy for such meeting shall be tallied and verified by the Company's securities agent or any other mandated securities agent prior to the time for holding the general meeting. The following matters should be verified:
- (a) whether the instrument of proxy is printed under the authority of the Company;
  - (b) whether the instrument of proxy is signed or sealed by the appointing Member; and
  - (c) whether the Solicitor or proxy (as the case may be) is named in the instrument of proxy and whether the name is correct.
- 20.11 The material contents required to be stated in the instruments of proxy, the meeting handbook or other supplemental materials of such general meeting, the written documents and advertisement of the Solicitor for proxy solicitation, the schedule of the instruments of proxy, the proxy form and other documents printed and published under the authority of the Company shall not contain any false statement or omission.
- 20.12 Votes given in accordance with the terms of an instrument of proxy shall be valid unless notice in writing was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy. The notice must set out expressly the reason for the revocation of the proxy, whether due to the incapacity or the lack in authority of the principal at the time issuing the proxy or otherwise.
- 20.13 A Member who has appointed a proxy shall be entitled to make a request to the Company or its securities agent for examining the way in which his instrument of proxy has been used, within seven days after the relevant general meeting.

## **21 Proxy Solicitation**

Subject to the provisions of the Statute, matters regarding the solicitation of proxies shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

## **22 Dissenting Member's Appraisal Right**

- 22.1 In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing of his objection to such a resolution prior to the meeting and has raised again his/her objection at the meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price:
- (a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others;
  - (b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
  - (c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.
- 22.2 In the event the Company proposes to undertake a Spin Off, Merger, Share Swap or acquire or transfer assets and liabilities by way of general assumption or transfer, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price.
- 22.3 The request prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased, within twenty days after the date of such resolution. In the event the Company has reached an agreement in regard to the purchase price with the requested Member in regard to the Shares of such Member (the "**appraisal price**"), the Company shall pay such price within ninety days after the date on which the resolution was adopted. If no agreement on the appraisal price is reached between the dissenting Member and the Company, the Company shall, within ninety days after the date on which the resolution was adopted, pay such dissenting Member the price to which the Company considers to be the fair price; and if the Company does not pay the price to which the Company considers to be the fair price within ninety days after the date on which the resolution was adopted, the Company shall be deemed to have agreed to the appraisal price requested by the dissenting Member. In the event the Company fails to reach such agreement with the Member within sixty days after the resolution date, the Company shall, within thirty days after such sixty-day period, file a petition to any competent court of the R.O.C. which, for these purposes and to the extent permitted by applicable laws, shall include the Taipei District Court, against all the dissenting Members with whom no agreement on the price of shares has been



reached for a ruling on the appraisal price, and such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the appraisal price.

Notwithstanding the above provisions under this Article 22.3, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Statute to payment of the fair value of his shares upon dissenting from a merger or consolidation.

- 22.4 The payment of appraisal price shall be made at the same time as the delivery of Share Certificates, and transfer of such Shares shall be effective at the time when the transferee's name is entered on the Register of Members.

### **23 Corporate Members**

Any corporation or entity which is a Member may in accordance with its constitutional documents, or in the absence of such provision 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, and the person so authorised shall be entitled to exercise the same powers on behalf of the such corporate Member which he represents as the corporation could exercise if it were an individual Member.

### **24 Shares that May Not be Voted**

- 24.1 Shares in the Company that are beneficially owned by the Company (including Subsidiaries) shall not be voted, directly or indirectly, at any general meeting and shall not be counted in determining the total number of outstanding Shares at any given time.
- 24.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with those of the Company, shall abstain from voting such Member's Shares in regard to such motion but such Shares may be counted in determining the number of Shares of the Members present at the such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
- 24.3 In the event that a Director creates or has created security over any Shares held by him, then he shall notify the Company of such security. If at any time the security created by a Director is in respect of more than half of the Shares held by him at the time of his appointment, then the voting rights attaching to the Shares held by such Director at such time shall be reduced, such that the Shares over which security has been created which are in excess of half of the Shares held by the Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Members at a general meeting.

## **25 Directors**

- 25.1 There shall be a board of Directors consisting of no less than seven persons and no more than eleven persons, including Independent Directors, each of whom shall be appointed to a term of office of three (3) years, provided that such term may be extended, by resolution of the Directors, to the date of the general meeting next following the expiry of such term if the expiration of such term would otherwise leave the Company with no Directors. Directors may be eligible for re-election. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements by relevant laws and regulations (including but not limited to any listing requirements) are met.
- 25.2 Unless otherwise approved by TWSE, not more than half of the total number of Directors can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.
- 25.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 25.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided in Article 25.2 hereof. Any person who has already served as Director but is in violation of the aforementioned requirements shall vacate the position of Director automatically.
- 25.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the R.O.C. and at least one of the same shall have accounting or financial expertise.
- 25.5 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company.

## **26 Powers of Directors**

- 26.1 Subject to the provisions of the Statute, the Memorandum and the Articles and to any directions given by Ordinary Resolution, Special Resolution or Supermajority Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

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

## **27 Appointment and Removal of Directors**

27.1 The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 27.3 below. In case of a corporate Member, the corporate Member itself (acting through its authorized representatives) or its authorized representative may be nominated for election at a general meeting as Director of the Company in accordance with these Articles. If there are more than one authorized representatives appointed by a corporate Member, each of them may be nominated for election for Director at a general meeting. The Company may by Supermajority Resolution remove any Director. Members present in person or by proxy, representing more than one-half of the total outstanding Shares shall constitute a quorum for any general meeting to elect one or more Directors.

27.2 Where election of a full board of Directors to replace all existing Directors is effected at a general meeting prior to the expiration of the term of office of the existing Directors, the term of office of the existing Directors shall be deemed to have expired on the date of the re-election or such any other date as is otherwise resolved by the Members at the general meeting, Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum in respect of any such resolution.

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

mechanism shall be in accordance with policies proposed by the Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Memorandum, the Articles and the Applicable Public Company Rules.

- 27.4 Director candidates shall be nominated in accordance with the candidate nomination mechanism which is in compliance with Applicable Public Company Rules. The rules and procedures for such candidate nomination shall be in accordance with policies established by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

## **28 Vacation of Office of Director**

- 28.1 In the event of any of the following events having occurred in relation to any Director, such Director shall be vacated automatically:
- (a) he gives notice in writing to the Company that he resigns the office of Director;
  - (b) he dies, becomes bankrupt, or had liquidation proceeding commenced against him by a court, and such Director has not been reinstated to his rights and privileges;
  - (c) he has no legal capacity, or his legal capacity is restricted, or he has been adjudicated of the commencement of assistantship and such assistantship or declaration have not been revoked;
  - (d) he commits an offence as specified in the R.O.C. statute of prevention of organizational crimes and is subsequently adjudicated guilty by a final judgment, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term, or less than five years have elapsed from the date of completion of the full sentence, the date of expiry of the probation period or the date on which he has been pardoned;
  - (e) he commits any criminal offence of fraud, breach of trust or misappropriation and is subsequently punished with imprisonment for a term of more than one year by a final judgment, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term, or less than two years have elapsed from the date of completion of the full sentence, the date of expiry of the probation period or the date on which he has been pardoned;
  - (f) he is adjudicated guilty by a final judgment for committing the offense as specified in the Anti-corruption Act of the R.O.C., and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term, or less than two years have elapsed from

the date of completion of the full sentence, the date of expiry of the probation period or the date on which he has been pardoned;

- (g) he is dishonoured for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (h) the Members resolve by a Supermajority Resolution that he should be removed as a Director; or
- (i) in the event that he has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of outstanding Shares shall have the right, within thirty days after that general meeting, to petition any competent court for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court.

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

- 28.2 If, during the term of office of a Director (not including Independent Directors), such Director transfers some or all of his Shares such that he holds less than one half of the total number of Shares which he held as at the date of the general meeting at which his appointment was approved, such Director shall be vacated from office automatically.
- 28.3 If any person is proposed for appointment as a Director (not including Independent Directors, each such person a "proposed director") at a general meeting (the "relevant general meeting"), such proposed director's appointment shall not become effective (regardless of whether such appointment is purportedly approved at the relevant general meeting, and any resolution which purports to approve such appointment shall be invalid and ineffective), if the proposed director transfers more than one half of the total number of Shares which he holds (or held) at the time of the relevant general meeting, either:
- (a) during the period after the relevant general meeting and prior to the commencement of such proposed director's term of office; or
  - (b) during the period when the Register of Members of the Company is closed for transfers of Shares, prior to the relevant general meeting.

## **29 Proceedings of Directors**

- 29.1 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be over one half of the total number of Directors elected. If the number of Directors is less than five (5) persons due to the vacation of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the board of Directors of the Company is equal to one third of the total number of Directors elected, the board of Directors shall hold, within sixty days, a general meeting of Members to elect succeeding Directors to fill the vacancies.
- 29.2 Unless otherwise permitted by the Applicable Public Company Rules, if the number of Independent Directors is less than three persons due to the vacation of Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. Unless otherwise permitted by the Applicable Public Company Rules, if all of the Independent Directors are vacated, the board of Directors shall hold, within sixty days, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 29.3 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. Any motions shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.
- 29.4 A person may participate in a meeting of the Directors or committee of Directors by video conference. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. The time and place for a meeting of the Directors or committee of Directors shall be at the office of the Company and during business hours or at a place and time convenient to the Directors and suitable for holding such meeting.
- 29.5 A Director may, or other officer of the Company authorized by a Director shall, call a meeting of the Directors by at least seven days' notice in writing (which may be a notice delivered by facsimile transmission or electronic mail) to every Director which notice shall set forth the general nature of the business to be considered. In the event of an urgent situation, a meeting of Directors may be held at any time after notice has been given in accordance with the Applicable Public Company Rules.
- 29.6 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company, but for no other purpose.
- 29.7 The Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the Directors and report such rules to a meeting of Members, and such

rules shall be in accordance with the Articles and the Applicable Public Company Rules.

- 29.8 All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and qualified to be a Director as the case may be.
- 29.9 A Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

### **30 Directors' Interests**

- 30.1 A Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
- 30.2 The Directors may be paid remuneration only in cash. The amount of such remuneration shall be determined by the Directors and take into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.
- 30.3 Unless prohibited by the Statute or by the Applicable Public Company Rules, a Director may himself or through his firm act in a professional capacity on behalf of the Company and he or his firm shall be entitled to such remuneration for professional services as if he were not a Director.
- 30.4 A Director who engages in conduct either for himself or on behalf of another person within the scope of the Company's business, shall disclose to Members, at a general meeting prior to such conduct, a summary of the major elements of such interest and obtain the ratification of the Members at such general meeting by a Supermajority Resolution vote. In case a Director engages in business conduct for himself or on behalf of another person in violation of this provision, the Members may, by an Ordinary Resolution, require the disgorgement of any and all earnings derived from such act, except when at least one year has lapsed since the realization of such associated earnings.
- 30.5 A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Articles 22.1 and 22.2 or effect other forms of mergers and acquisitions in accordance with the applicable laws, a director who has a personal interest in such transaction shall, in accordance with the applicable laws, declare at the relevant meeting of the Directors and the general meeting the essential contents of

such personal interest and explain the reason he believes the transaction is advisable or not advisable.

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 a personal interests in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.

- 30.6 Notwithstanding anything to the contrary contained in this Article 30, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.
- 30.7 To the extent permitted under the laws of the Cayman Islands, any Member(s) holding one percent (1%) or more of the total number of the issued Shares of the Company for six (6) consecutive months or longer may request in writing any Independent Director of the audit committee to initiate proceedings against any of the Directors on behalf of the Company with a competent court having proper jurisdiction, including the Taipei District Court, R.O.C. If Independent Directors of the audit committee fail to initiate such proceedings within thirty (30) days after receiving the request by such Member(s), subject to Cayman Islands law, such Member(s) may initiate such proceedings on behalf of the Company with a competent court having proper jurisdiction, including the Taipei District Court, R.O.C.
- 30.8 Without prejudice to the duties owed by a Director or an officer (being a manager of the Company who are authorized to act on its behalf in a senior management capacity) to the Company under common law of the Cayman Islands and subject to the Statute and the Applicable Public Company Rules, a Director and officer shall assume fiduciary duties towards the Company and, without limitation, shall exercise due care and skill in conducting the business operations of the Company. Should any such Director or officer violate any such duty or applicable laws, without prejudice to the rights and remedies available under applicable laws, the Company may (i) take actions against such Director or officer for indemnification of the damages caused to the Company, and (ii) require such Director or officer to bear joint and several liability for indemnification of the damages payable by the Company to other person(s), and (iii) the Company may, by an Ordinary Resolution, take any action permitted by applicable laws and laws of the Cayman Islands to account for any profits and benefits and request payment to the Company such profits or benefits



gained in respect of the breach of their fiduciary duties or violation of the applicable laws.

### **31 Minutes**

The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors present at each meeting.

### **32 Delegation of Directors' Powers**

- 32.1 Subject to the Applicable Public Company Rules, the Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him provided that the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 32.2 The Directors may establish any committees or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any Director to be a member of such committees. Any such appointment may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 32.3 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.
- 32.4 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may

also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.

- 32.5 The Directors shall appoint a chairman and may appoint such other officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit.
- 32.6 Notwithstanding anything to the contrary contained in this Article 32, unless otherwise permitted by the Applicable Public Company Rules, the Company shall establish an audit committee comprised of all of the Independent Directors, one of whom shall be the chairman, and at least one of whom shall have accounting or financial expertise to the extent required by the Applicable Public Company Rules. A resolution of the audit committee shall be passed by one-half or more of all members of such committee. The rules and procedures of the audit committee shall be in accordance with policies proposed by the members of the audit committee and passed by the Directors from time to time, which shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and the instruction of the FSC or TWSE, if any. The Directors shall, by a resolution, adopt a charter for the audit committee in accordance with these Articles and the Applicable Public Company Rules.
- 32.7 Any of the following matters of the Company shall require the consent of one-half or more of all audit committee members and be submitted to the board of Directors for resolution:
- (a) Adoption or amendment of an internal control system of the Company;
  - (b) Assessment of the effectiveness of the internal control system;
  - (c) Adoption or amendment of handling procedures for significant financial or operational actions, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees on behalf of others;
  - (d) A matter where a Director has a personal interest;
  - (e) A material asset or derivatives transaction;
  - (f) A material monetary loan, endorsement, or provision of guarantee;
  - (g) The offering, issuance, or Private Placement of any equity-type securities;
  - (h) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
  - (i) The appointment or removal of a financial, accounting, or internal auditing officer;
  - (j) Annual and semi-annual financial reports;

(k) Any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

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

32.8 The Directors may, as they deem appropriate, establish a compensation committee comprised of at least three members, one of which shall be the Independent Director.

32.9 Subject to compliance with the Statute, before the meeting of Directors may resolve any matter specified in Articles 22.1 and 22.2 or other mergers and acquisitions in accordance with the applicable laws, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval from the Members is not required under the applicable laws. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval from the Members is not required under the applicable laws. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the FSC and made available to the Members for their inspection and review at the venue of the general meeting.

32.10 Upon the establishment of the compensation committee, the professional qualifications of the members, the responsibilities, powers and other related matters of the compensation committee shall comply with the Applicable Public Company Rules, and the Directors shall, by a resolution, adopt a charter for the compensation committee in accordance with these Articles and the Applicable Public Company Rules.

32.11 The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments to the Directors and managers of the Company.

### **33 Seal**

- 33.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. The use of Seal shall be in accordance with the use of Seal policy adopted by the Directors from time to time.
- 33.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals, each of which shall be a facsimile of the common Seal of the Company and kept under the custody of a person appointed by the Directors, and if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

### **34 Dividends, Distributions and Reserve**

- 34.1 Upon the annual final settlement of the Company's accounts, if there is surplus profits on the Company's net profits before tax (before deducting any employees' compensation and Directors' compensation), the board of Directors shall, upon approval by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors, set aside employees' compensation and Directors' compensation in accordance with the following manner, and report such distribution of compensation to the general meeting. However, if the Company has accumulated losses, the Company shall reserve an amount thereof first to offset the losses:

- (a) no less than 0.1% as employees' compensation;
- (b) no more than 2% as Directors' compensation.

Employees' compensation stated in Article 34.1(a) above may be distributed by way of cash or by way of applying such sum in paying up in full unissued shares, or a combination of both; employees entitled to the compensation includes those of the Company' Subsidiaries who meet certain qualifications; when the Company distributes compensation to employees of its Subsidiaries, such compensation may be distributed directly by the Company or indirectly by and through the relevant Subsidiaries.

The Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Directors and approved by the Members by a resolution adopted at a general meeting. The Directors shall prepare such proposal as follows: the proposal shall begin with the Company's Annual Net Income and offset its losses in previous years that have not been previously offset, then set aside a legal capital reserve at 10% of the balance, until the accumulated legal capital reserve has equalled the Paid-in Capital of the Company; then set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge; the rest amount (hereinafter the "Distributable Profits in a

Given Year") plus any accumulated undistributed profits of previous years may be distributed as Dividends (including cash dividends or stock dividends) in accordance with the Statute and the Applicable Public Company Rules and after taking into consideration financial, business and operational factors. The amount to be distributed as Dividends shall not be less than 10% of the Distributable Profits in a Given Year. The Company will pay a portion of such Dividends in cash, which cash portion shall be no less than 10% of the total amount of such Dividends except that if the total amount of Dividends payable per share in a given year will be less than NT\$1, the 10% threshold shall not apply and the Company may, at its sole discretion, pay such Dividends, in whole or in part, by distribution of cash and/or stock. The Company may decide not to distribute any Dividends (including cash dividends or stock dividends) if the Distributable Profits in a Given Year is less than 10% of the Paid-in Capital at the end of the relevant financial year.

- 34.2 Subject to the Statute and this Article, the Directors may declare Dividends and distributions on Shares in issue and authorise payment of the Dividends or distributions out of the funds of the Company lawfully available therefor. No Dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.
- 34.3 Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date that Share shall rank for Dividend accordingly.
- 34.4 The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any account.
- 34.5 The Directors may, after obtaining an Ordinary Resolution, declare that any Dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 34.6 Any Dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

- 34.7 No Dividend or distribution shall bear interest against the Company.
- 34.8 Any Dividend which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.

### **35 Capitalisation**

Subject to Article 14.2(d), the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit such that Shares shall not become distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

### **36 Tender Offer**

Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Public Company Rules, the board of 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:

1. The types and amount of the Shares held by the Directors and the Members holding more than 10% of the outstanding Shares in its own name or in the name of other persons.
2. 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.
3. 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.

4. The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than 10% of the outstanding Shares held in its own name or in the name of other persons.

### **37 Books of Account**

- 37.1 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 37.2 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
- 37.3 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.
- 37.4 Minutes and written records of all meetings of Directors, any committees of Directors, and any general meeting may be made in English or Chinese, except where resolutions passed at any general meeting which are required to be filed with the Registrar of Companies in the Cayman Islands must be in English; minutes and written records made in the English language may be accompanied by a Chinese translation. In the event of any inconsistency between the English language version and the relevant Chinese translation, the English language version shall prevail.
- 37.5 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one year.

### **38 Notices**

- 38.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to him or to his

address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent airmail.

38.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

38.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under the Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

38.4 Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the Register of Members on the record date for such meeting and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

### **39 Winding Up**

39.1 If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up



the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

- 39.2 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute and in compliance with the Applicable Public Company Rules, divide amongst the Members in proportion to the number of Shares they hold the whole or any part of the assets of the Company in kind (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

**40 Financial Year**

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

**41 Transfer by way of Continuation**

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

**42 Appointment of Litigious and Non-Litigious Agent**

For so long as the Shares are listed on the TWSE, the Company shall appoint a litigious and non-litigious agent pursuant to the Applicable Public Company Rules to act as the Company's responsible person in the R.O.C. under the Securities and Exchange Law of the R.O.C. to handle matters stipulated in the Securities and Exchange Law of the R.O.C. and the relevant rules and regulations thereto. The litigious and non-litigious agent shall be an individual who has a residence or domicile in the R.O.C.

**43 R.O.C. Securities Laws and Regulations**

For so long as the Shares are listed on the TWSE, the qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the

Directors, Independent Directors, compensation committee and audit committee which are required to be followed by the Company shall comply with the applicable R.O.C. securities laws and regulations.

**44 Corporate Social Responsibility**

For so long as the Shares are listed on the TWSE, in the course of conducting its business, the Company shall comply with the Applicable Public Company Rules and business ethics and may take corporate actions to promote public interests in order to fulfill its social responsibilities.

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### The Rules of Shareholders' Meeting Procedures

#### 1. Objectives:

These Rules are duly enacted to assure a sound governance system with a wholesome superintending function and strengthened management performance. Any matters insufficiently provided for herein shall be subject to laws and ordinances concerned.

#### 2. Scope:

These Rules govern the progress of TPK's shareholders' meeting unless otherwise prescribed in laws and ordinances concerned or TPK's Articles of Incorporation.

#### 3. Operating procedures:

**3.1.** TPK's shareholders' meeting shall be convened by the board of directors unless otherwise prescribed in laws and regulations, or TPK's Articles of Incorporation.

**3.2.** The shareholders' meeting agenda shall be duly worked out for convening of a shareholders' meeting.

**3.2.1.** The Company shall, thirty days prior to a regular meeting of shareholders or fifteen days prior to an extraordinary meeting of shareholders, publish the notice of the shareholders' meeting, the proxy instrument, agendas and materials relating to matters for approval and matters for discussion (including but not limited to election or discharge of directors) via the Market Observation Post System in electronic form. If the voting power of a shareholder at a shareholders' meeting shall be exercised by way of a written ballot, the Company shall also send the written document used for the exercise of voting power together with the above mentioned materials. The Company shall prepare a meeting handbook of the relevant shareholders' meeting and supplemental materials, which shall be transmitted to the Market Observation Post System twenty-one days prior to a regular meeting of shareholders and fifteen days prior to an extraordinary meeting of shareholders. Prior to fifteen days of the shareholders' meeting, the publication of a meeting handbook of the relevant shareholders' meeting and supplemental materials should be completed for shareholders' review from time to time, should be displayed at the Company and the stock transfer agent of the Company and should be distributed at shareholders' meeting.

**3.2.2.** Notices and public announcements shall expressly bear the subjects of the meeting. Subject to consent by the counterparts, notices may be served by electronic means.

**3.2.3.** Matters relating to (a) election or discharge of directors, (b) change of the

Amended and Restated Memorandum of Association and Articles of Association of the Company, (c)(i) dissolution, merger, division, (ii) association of the Company, change in or termination of leasehold of the Company's business operation in full, consigned business operation, execution of a contract to team up with another party in joint business operation, (iii) transfer of business operation or properties either in whole or in part, (iv) inward transfer of another's business operation or properties in full which has a significant impact upon the Company, (d) permission to directors for actions within the Company's business scope for themselves or for other firms, (e) allocation of dividend or bonus by means of issuing new shares, issuance of new shares by means of reserve to be converted into capital increase (re-capitalization), capitalizing all or part of retained earnings, legal reserve, or other funds defined in Article 35 of the Amended and Restated Memorandum of Association and Articles of Association of the Company by issuing new shares, (f) issuance of equity-oriented securities by the Company through private placement, (g) matters set forth in Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers as applied mutatis mutandis under Paragraph 2 of Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, (h) capital reduction, and (i) cease of its status as a public company, shall be expressly enumerated in the notice of the shareholders' meeting and shall not be posted by means of occasional (extemporaneous) motions; the material contents may be uploaded onto the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the notice of the shareholders' meeting.

**3.2.4.** If a shareholders' meeting notice has specified the re-election of all directors and the date of assumption of office, such date of assumption of office shall not be changed by an ad hoc motion or otherwise if the re-election has been completed in said meeting.

**3.2.5.** A shareholder who holds more than 1% of the outstanding shares may submit a proposal to the Company, with only one issue in the proposal. Issue(s) numbering more than one in the proposal shall not be entered as proposals, provided that if any of the proposals submitted by such shareholder(s) which is to urge the Company to promote public interests or fulfill its social responsibility, the board of directors may accept such proposal to be discussed at a general meeting. An issue posed by a shareholder which cannot be resolved in a shareholders' meeting, an issue

posed by a shareholder who holds less than 1% of the Company's outstanding shares at the moment when the Company suspends share transfer, or an issue posed at a time beyond the timeframe specified in the public announcement for acceptance shall not be accepted by the board of directors as an issue.

- 3.2.6.** TPK shall issue a public notice announcing acceptance of proposal, methods to accept proposals in writing or by electronic transmission, and the period and place to accept proposals submitted by shareholders before suspension of acceptance of share transfer for convening of a regular meeting of shareholders. The timeframe to accept proposals shall not be less than the minimum of ten days.
- 3.2.7.** An issue proposed by a shareholder shall be written within the maximum of three hundred Chinese characters. A proposal beyond the maximum limit of three hundred Chinese characters shall not be accepted into the agenda. A shareholder who poses a proposal shall attend the regular meeting of shareholders either in person or through a proxy and shall participate in discussion of the issue.
- 3.2.8.** TPK shall keep the proposing shareholders informed of the acceptance or rejection of the proposals prior to serving the notices of the regular meeting of shareholders and shall enter the accepted proposals into the notices of the regular meeting of shareholders. About proposals posed by shareholders which are not accepted into the agenda, the board of directors shall explain the reason of rejection in the regular meeting of shareholders.
- 3.3.** For each shareholders' meeting, a shareholder may issue a power of attorney with a form provided by TPK expressly defining the scope of the authorized powers to authorize a proxy to attend the shareholders' meeting on his or her behalf.

  - 3.3.1.** A shareholder may issue only one power of attorney and may authorize only one proxy. The power of attorney shall be served to TPK five days prior to the date scheduled for the meeting. In case of double powers of attorney found, they shall be accepted on the "first in, first out" basis unless the preceding power of attorney is declared withdrawn.
  - 3.3.2.** In the event that a shareholder intends to participate in a shareholders' meeting in person or intends to exercise voting power in writing or by electronic means after serving the Power of Attorney to TPK, such shareholder shall withdraw his or her power of attorney in writing not later than two days preceding the date scheduled for the shareholders meeting. In case of withdrawal of the power of attorney beyond such deadline, the voting power cast by his or her proxy shall prevail.

- 3.4.** A shareholders' meeting shall be convened in a location where TPK is located or a location appropriate for the shareholders' meeting. A shareholders' meeting shall be duly convened not earlier than 9:00 a.m. nor later than 3:00 p.m. The Company shall fully consider the opinion of independent directors when determining the time and location for convening the shareholders' meeting.
- 3.4.1.** The Company shall expressly provide the time and location at which shareholders sign in for the shareholders' meeting and other important matters in the notice of the shareholders' meeting.
- 3.4.2.** The shareholders' sign-in has to begin at least thirty minutes before the shareholders meeting begins. The sign-in location should be clearly marked and staffed by adequate and competent employees.
- 3.4.3.** The Company shall hand over to a present shareholder the agenda, annual report, participation certificate, slip for floor (speech), ballots and other documents for the meeting, as well as election vote(s) in case of a shareholder who is entitled to elect directors.
- 3.4.4.** A shareholder shall participate in a shareholders' meeting based on his or her participation certificate, sign-in card or other certificate for participation. The Company shall not unreasonably request shareholders to provide additional identification documents other than the certificate presented by the shareholders attending the shareholders' meeting. A solicitor seeking proxy shall present his or her identity certificate for proof. A present shareholder may submit his or her sign-in card instead of signing in the sign-in book.
- 3.4.5.** A shareholder as the government entity or as a juristic (corporate) person may participate in the shareholders' meeting with more than one representative. A juristic (corporate) person shareholder who is authorized to participate in the shareholders' meeting as a proxy may assign only one representative to participate in the meeting.
- 3.5.** A shareholders' meeting shall be chaired by the Chairman of the Board if convened by the board of directors. During the absence or unavailability of the Chairman of the Board, s/he shall, in advance, appoint a vice chairman to act in his/her place. If there is no vice chairman or if the vice chairman is unavailable as well, the Chairman of the Board shall appoint a director to act in his/her place. In the event that the Chairman of the Board does not appoint a substitute, or the substitute cannot discharge this duty for some reason, one director shall be elected from among those directors who are present to act.
- 3.5.1.** A shareholders' meeting convened by the board of directors shall be attended by directors who represent a majority of the total number of

directors, at least one independent director, and at least one of all functional committee members. The attendance condition should be recorded in the minutes of the shareholders' meeting.

- 3.5.2.** In the event that the shareholders' meeting is convened by a person beyond the board of directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.
- 3.5.3.** TPK may assign the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in the shareholders' meeting as an observer.
- 3.6.** The entire process of a shareholders' meeting shall be videotaped or recorded in sound and shall be archived for a minimum of one year. In case of a litigious action taking place because of inappropriate process to convene the shareholders' meeting or an inappropriate decision resolved, the video or sound archives shall be continually stored until the litigious action is concluded.
- 3.7.** Shareholders participating in a shareholders' meeting shall be duly calculated based on the shares they represent. The total number of shares participating in the meeting shall be calculated based on the sign-in cards plus the number of shares exercising the voting powers in writing or through electronic means. The chairperson of the board of directors meeting shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders who represent less than a majority of the total outstanding shares at the time scheduled for the meeting, the chairperson may announce postponement of the meeting. The total number of postponements shall not exceed the maximum of twice and the total time accumulated for the postponement shall not exceed an hour. In the event that the shareholders' meeting is attended by the shareholders who represent cannot reach the quorum after two postponements, the chairperson shall announce that the meeting is aborted.
- 3.8.** Where a shareholders' meeting is convened by the board of directors, the agenda shall be fixed by the board of directors, and each matter shall be voted on separately. The meeting shall be handled based on the scheduled agenda which shall not be changed unless resolved by the shareholders' meeting.

  - 3.8.1.** The provision set forth in the preceding paragraph is applicable *mutatis mutandis* to a shareholders' meeting which is convened by a person beyond the board of directors.
  - 3.8.2.** The chairperson shall not announce adjournment of the meeting until the contents set forth in the agenda mentioned in two preceding paragraphs and the occasional (extemporaneous) motions are concluded in the

meeting. In the event that the chairperson breaches the rules of the meeting by announcing adjournment of the meeting, other members of the board of directors shall promptly try to help maintain legal procedures. A new chairperson shall be elected from among the present shareholders to preside over the meeting.

**3.8.3.** The chairperson shall grant adequate opportunities to shareholders to explain the issues they propose, the amendments (including occasional (extemporaneous) motions and to discuss such issues. Where the discussion of an issue during the meeting is believed to be up to the level that allows a final decision, the chairperson may announce discontinuance of the discussion and enter into the resolving process for a decision and arrange for sufficient and appropriate time for voting.

**3.9.** A present shareholder who intends to present a speech shall issue a slip of presentation beforehand. The slip of presentation shall expressly remark the subjects of speech, account number of shareholder (or code of the participation certificate), so that the chairperson may decide the order of presentation.

**3.9.1.** A shareholder who has submitted the slip of presentation but does not speak up is deemed as not having offered presentation. In case of a discrepancy found between the slip of presentation and content of actual speech, the content of actual speech shall prevail.

**3.9.2.** On the same issue, each shareholder shall not make two presentations unless permitted by the chairperson. Each presentation shall not exceed the maximum of five minutes. Where a shareholder speaks against the rules or beyond the scope of the subject issue, the chairperson may stop such shareholder from continual presentation.

**3.9.3.** Where a present shareholder gives his or her presentation, other shareholders shall not speak to interfere with the presentation unless agreed upon by the chairperson and the speaking shareholder. Otherwise the chairperson shall stop such violating shareholder.

**3.9.4.** Where a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholders' meeting, only one representative may be appointed from among themselves to speak up for the same issue. After a present shareholder gives a presentation, the chairperson may reply in person or by appointing a relevant person to reply.

**3.10.** The voting at shareholders' meeting shall be based on shares.

**3.10.1.** For the resolutions of the shareholders' meeting, the number of shares of shareholders without voting rights is excluded from the total outstanding



shares.

- 3.10.2.** Shareholders are prohibited from voting on matters in the meeting that may damage the interest of the company due to their interests in the matters or and exercising the voting rights on behalf of other shareholders.
- 3.10.3.** The number of shares which are not entitled to exercise voting power under these Rules, the Amended and Restated Memorandum of Association and Articles of Association of the Company, or relevant laws and regulations shall not be counted into the number of voting powers of present shareholders.
- 3.10.4.** Except a trust business or an agent for stock affairs which has been approved by the competent authority of securities affairs, when a proxy is authorized by two or more shareholders simultaneously, the total voting powers in his/her proxy shall not exceed 3% of the total voting powers based on the issued shares. The excess in the voting power shall be discarded.
- 3.11.** Each share hereof is entitled to one voting power except a share which has no voting power as under restriction or TPK's Articles of Incorporation.
  - 3.11.1.** Where a shareholders' meeting is convened by TPK, voting rights shall be exercised by electronic means, and may also be exercised in writing. For shareholders to exercise voting rights in writing or by electronic means, the methods shall be explicitly described in the notices of the shareholders' meeting. If the shareholders' meeting will be held outside the ROC, the shareholders shall be entitled to vote in writing or by electronic means. When voting rights are exercised in writing or by electronic means, the methods to exercise such powers shall be expressly remarked on the notices of the shareholders' meeting. A shareholder who exercises voting rights in writing or by electronic means shall be deemed to have appointed the chairman of the shareholders' meeting as his proxy to exercise his voting rights at such meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall not be deemed to constitute the appointment of a proxy for the purposes of the applicable public companies rules.. The chairman of shareholders' meeting, as proxy of a shareholder, shall not exercise the voting rights of such shareholder in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any ad hoc motion at the meeting. A shareholder who exercises voting rights in writing or by electronic means shall be deemed to attend the shareholders' meeting in person, but shall be

deemed to have waived his/her/its voting right in respect of any ad hoc motion(s) and/or the amendment(s) to the contents of the original proposal(s) at said shareholders' meeting. Hence, it is advisable that the Company avoid bringing up any ad hoc motion or amending the contents of the original proposal(s). Should the chairman of the shareholders' meeting not observe the instructions of a shareholder in exercising such shareholder's voting rights, the shares held by such shareholder shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.

- 3.11.2.** Where a shareholder intends to exercise his or her voting power in writing or by electronic means as mentioned in the preceding paragraph, his or her expression of intent shall be served to TPK two days prior to the date scheduled for the meeting. In case of double expressions of intents, it shall be counted on the "first in, first out" basis unless the preceding expression is declared withdrawn.
- 3.11.3.** In the event that a shareholder intends to participate in a shareholders' meeting in person after he or she has expressed an intent to exercised voting power in writing or by electronic means, he or she shall withdraw the expression of intent in the same manner same as the exercising of the voting power not later than two days preceding the date scheduled for the meeting. Such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the shareholders' meeting. If he or she withdraws beyond such deadline, the proxy deemed to be given to the chairman of the shareholders' meeting shall not be revoked and the chairman of the shareholders' meeting shall exercise the voting powers of such shareholder in accordance with the proxy. Where a shareholder exercises voting power in writing or by electronic means and participates in the shareholders' meeting through a proxy, the appointment of the proxy shall be deemed to be a revocation of such shareholder's appointment of the chairman of the shareholders' meeting as his proxy, and the voting power exercised by his or her proxy shall prevail.
- 3.11.4.** Unless otherwise provided for in laws or the Amended and Restated Memorandum of Association and Articles of Association of the Company, matters in the shareholders' meeting shall be resolved by a majority vote of the present shareholders. During the voting process, the chairperson shall announce the number of voting powers represented by the present shares for each and every issue. On the same day after the shareholders' meeting

is convened, the results of the shareholders' approval, opposition, and abstinence on the matters resolved in the shareholders' meeting shall be entered into the Market Observation Post System.

**3.11.5.** Where the same issue develops around an amendment or a substitute, the chairperson shall fix the order of voting along with the initial issue. When one among them is formally resolved, other two shall be deemed as vetoed and call for no more voting process.

**3.11.6.** Upon the resolving process, the ballot scrutineer and recorder shall be appointed by the chairperson. The scrutineer, nevertheless, must be chosen from shareholders. The chairperson shall announce the results of the resolving process on-the-spot and shall put the results into the minutes.

**3.12.** Where directors are elected in a shareholders' meeting, the election process shall be duly handled in accordance with election rules enacted by TPK and the outcome of the election shall be announced on-the-spot. The election ballots shall be tightly sealed and signed by the scrutineer and shall be appropriately archived for a minimum of one year. In case of a litigious action taking place due to inappropriate process to convene the shareholders' meeting or in resolving the decisions, the election ballots shall be continually stored until the litigious action is concluded.

**3.13.** Minutes shall be duly worked out for the decisions resolved in the shareholders' meeting. The minutes shall be signed or affixed with a seal by the chairperson and shall be served to all shareholders within twenty days after the meeting. The minutes may be produced and distributed by electronic means.

**3.13.1.** The minutes mentioned in the preceding paragraph may be served via the Market Observation Post System (MOPS).

**3.13.2.** The minutes of a shareholders' meeting shall duly remark the date, location, the chairperson's name, method to resolve decisions, highlights of the deliberations, and voting results (including the votes calculated). In case of election of directors, the Company shall disclose individual vote count of each candidate. The minutes of a shareholders' meeting shall be archived permanently while TPK exists.

**3.14.** For the number of shares solicited by solicitors and the number of shares represented by proxies, TPK shall work out statistical statements based on the specified formula and shall expressly display such statistical statements at the arena where the shareholders' meeting is convened.

In the event that an issue resolved in the shareholders' meeting is deemed as major information as defined by laws and ordinances concerned and by the Taiwan Stock Exchange Corporation (TSEC), TPK shall transmit such information to the Market

Observation Post System (MOPS) within the specified time limit.

**3.15.** The personnel in charge of the shareholders' meeting affairs shall wear the required identity certificates or arm-bands.

**3.15.1.** The chairperson may command the guards or security personnel to help maintain the order of the shareholders' meeting arena. The guards or security personnel shall bear required identity certificates or arm-bands while they are on duty in the shareholders' meeting arena.

**3.15.2.** Where loudspeaker equipment is installed at the shareholders' meeting site, if a shareholder speaks not with TPK provided equipment, the chairperson shall stop such shareholder from speaking.

**3.15.3.** If a shareholder breaches the rules of the meeting and defies the rectification from the chairperson against the progress of the meeting, the chairperson may command the guards or security personnel to have him or her quit.

**3.16.** During a shareholders' meeting, the chairperson may fix a time for recess. In case of force majeure taking place, the chairperson may rule a decision to suspend the progress and announce the time to resume the meeting as the actual requirements may justify.

**3.16.1.** In the event that the site of the shareholders' meeting cannot be continually used before the issues set forth in the agenda (including occasional (extemporaneous) motions are concluded, a new site may be sought to continue the process as resolved by the shareholders' meeting.

**3.16.2.** The shareholders' meeting may resolve a decision to postpone the meeting or to resume the meeting within five days.

**3.17.** Any matters insufficiently provided for in these Regulations shall be in accordance with relevant laws and regulations and the Amended and Restated Memorandum of Association and Articles of Association of the Company. These Regulations and amendment hereof shall be put into enforcement after being resolved in the shareholders' meeting. These Regulations and amendments shall be amended in a timely manner if any relative Acts or laws have been modified and shall follow such rule to be approved by the board of directors (or Audit Committee) and/or shareholders' meeting.

These Regulations were enacted and approved by the 1st shareholders' meeting held on January 8, 2010.

The first amendment was approved by the shareholders' meeting held on April 13, 2010.

The second amendment was approved by the shareholders' meeting held on May 16, 2012.

The third amendment was approved by the shareholders' meeting held on June 12, 2015.

The fourth amendment was approved by the shareholders' meeting held on June 10, 2020.

**4. Highlights of management:**

- 4.1.** Whether the duties to be handled by the agent for stock affairs and by TPK itself internally have been expressly divided.
- 4.2.** Whether the process of the shareholders' meeting has satisfied laws and ordinances concerned.
- 4.3.** Whether the major decisions resolved in the special (extraordinary) meeting of shareholders have been put into public announcement through the specified website.
- 4.4.** Whether the relevant documents have been duly archived within the legally specified time limit (including the election ballots and relevant records).

**5. Document of authority: Nil**

**6. Forms used: Nil**

**TPK Holding Co., Ltd.  
The Rules of Board Meeting Procedures**

- 1 Purpose:** To establish a strong governance system and sound supervisory capabilities for the Company's Board of Directors, and to strengthen management capabilities, these Rules are adopted to be followed by the Company.
- 2 Scope:** With respect to the Board of Directors meetings of the Company, the main agenda items, operating procedures, required contents of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules, unless otherwise provided in laws or the articles of incorporation. Any matters not covered herein shall be implemented in accordance with related laws and regulations.
- 3 Operating procedure:**
  - 3.1** The Board of Directors convenes the meeting and sends the meeting notice.
    - 3.1.1** The Board of Directors meeting shall be convened at least once per quarter.
    - 3.1.2** A notice of the reasons for convening a board meeting shall be given to each director and supervisor 7 days before the meeting is to be convened. In emergency circumstances, however, a board meeting may be convened at any time. The notice referred to herein may be served in the form of correspondence, via fax or email, or in any other sufficient manner.
    - 3.1.3** The following matters to be submitted for discussion at a board meeting shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extemporary motion except in the case of an emergency or with other justified reason:
      - (1)The Company's business plan.
      - (2)Annual and semi-annual financial reports, unless with the semi-annual financial reports are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
      - (3)Adoption of or amendment to an internal control system and assessment on the effectiveness of the internal control system.
      - (4)Adoption of or amendment to any operating procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
      - (5)The offering, issuance, or private placement of equity-type securities.
      - (6)The appointment or discharge of a financial, accounting, or internal audit officer.
      - (7)A donation to a related party or a major donation to a non-related party. provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board meeting for confirmation.
      - (8)A matter bearing on the personal interest of a director.
      - (9)A material asset or derivatives transaction.
      - (10)A material monetary loan, endorsement, or provision of guarantee.
      - (11)Hiring or dismissal of an attesting CPA, or the compensation given thereto.
      - (12)Any matter that, under laws and regulations or the articles of

incorporation, must be approved by resolution at a shareholders' meeting or board meeting,  
or any material matter as may be prescribed by the competent authority

- 3.1.4** The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the financial report attested by a CPA for the most recent year.
- 3.1.5** The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of the Board of Directors are exempted from inclusion in the calculation.
- 3.1.6** At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in Article 3.1.3 herein, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board meeting.
- 3.2** Main agenda items of board meeting
- 3.2.1** Agenda items for regular board meetings of the Company shall include at least the following:
- (1) Matters to be reported:
    - A. Minutes of the last meeting and action taken.
    - B. Important financial business reports.
    - C. Internal audit business reports.
    - D. Other important matters to be reported.
  - (2) Matters for discussion:
    - A. Items for continued discussion from the last meeting.
    - B. Items for discussion at this meeting.
  - (3) Extemporaneous Motions
- 3.3** Parliamentary unit and meeting materials
- 3.3.1** The designated unit responsible for the board meetings of the Company shall be the financial unit.
- 3.3.2** The parliamentary unit shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the meeting notice.
- 3.3.3** A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the parliamentary unit. If a director is of the opinion that materials concerning any motion are insufficient, the deliberation of such motion may be postponed by a

- resolution of the Board of Directors.
- 3.4** Preparation of attendance book and other documents, and attendance by proxy
- 3.4.1** When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.
- 3.4.2** Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's articles of incorporation. Attendance by video conference will be deemed attendance in person.
- 3.4.3** A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.
- 3.4.4** The proxy referred to in paragraph 2 may be the appointed proxy of only one person.
- 3.5** Place and time of a board meeting
- 3.5.1** A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- 3.6** Chair and acting chair of a board meeting
- 3.6.1** If the Board meeting is convened by the Chairman of Board, the meeting shall be chaired by the Chairman of Board. Notwithstanding, with respect to the first meeting of each newly elected board of directors, it shall be convened and chaired by the director that receives votes representing the largest portion of voting rights at the shareholders meeting in which the directors are elected. If two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as the chair.
- 3.6.2** According to Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, if the Board meeting is convened by a majority of the directors, they shall select from among themselves one director to serve as the chair.
- 3.6.3** When the Chairman of Board is on leave or for any reason unable to exercise the powers of the chairman, the Chairman shall appoint one of the directors to act on behalf of him. If no such designation is made by the Chairman, the directors shall select one person from among themselves to serve as the chair.
- 3.7** Non-voting participants
- 3.7.1** As merited by the contents of a motion to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys-at-law, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation and voting take place.
- 3.7.2** Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.
- 3.7.3** If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.



- 3.7.4** Where a board meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.
- 3.8** Convening of board meetings
- 3.8.1** The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.1.2 herein.
- 3.8.2** The term “all directors” referred to in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
- 3.9** Proceeding
- 3.9.1** A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.
- 3.9.2** With respect to the main agenda items and extemporary motions decided in the preceding paragraph, the chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
- 3.9.3** At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 3.8.1 shall apply *mutatis mutandis*.
- 3.10** Voting
- 3.10.1** When the chair at a board meeting is of the opinion that a motion has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
- 3.10.2** When a motion comes to a vote at a board meeting, and if no attending director voices an objection following an inquiry by the chair, the motion will be deemed approved. If there is an objection following an inquiry by the chair, the motion shall be brought to a vote.
- 3.10.3** One voting method for motions at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:
- (1) A show of hands or a vote by voting machine.
  - (2) A roll call vote.
  - (3) A vote by ballot.
  - (4) A vote by a method selected at the Company’s discretion.
- 3.10.4** Vote monitoring and counting personnel for the voting on a motion shall be appointed by the chair, provided that all monitoring personnel shall be directors of the Company.
- 3.10.5** Voting results shall be made known on-site by the chair immediately and recorded in writing.
- 3.10.6** "Attending directors" as used in Paragraph 2, do not include directors that may not exercise voting rights pursuant to Article 3.12.1.

### **3.11 Resolution**

**3.11.1** Except where otherwise provided by related laws and regulations or the Company's articles of incorporation, the passage of a motion at a board meeting shall require the approval of a majority of the directors in attendance at a board meeting attended by a majority of all directors.

**3.11.2** When there is an amendment or an alternative to a motion, the chair shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to a vote. When any one among them is passed, the other motions will then be deemed rejected, and no further voting shall be required.

### **3.12 Avoidance of conflict of interest by directors**

**3.12.1** When a proposal at a given board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, he/she may not participate in discussion of or voting on the proposal but shall recuse himself or herself from the discussion or the voting, or be prohibited from exercising voting rights as proxy for another director.

**3.12.2** 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.

**3.12.3** Where a director is prohibited by the preceding two paragraphs from exercising voting rights with respect to a resolution at a board meeting, the number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

### **3.13 Meeting minutes and sign-in matters**

**3.13.1** Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- (1) The meeting session (or year) and the time and place of the meeting.
- (2) The name of the chair.
- (3) The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- (4) The names and titles of those attending the meeting as non-voting participants.
- (5) The name of the minutes taker.
- (6) Matters reported at the meeting.
- (7) Agenda items: the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in Article 3.12.1 herein, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 3.1.4 herein.
- (8) Extemporaneous motions: The name of the mover, the method of

resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in Article 3.12.1 herein, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

(9) Other matters required to be recorded.

**3.13.2** The attendance book constitutes part of the meeting minute and shall be retained for the duration of the existence of the Company.

**3.13.3** The minute of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minute shall be distributed to each director within 20 days after the meeting. The minute shall be deemed important corporate records and appropriately preserved during the existence of the Company.

**3.13.4** The preparation and distribution of the meeting minute referred to in Paragraph 1 may be effected by means of electronic transmission.

**3.14** Delegation of powers during adjournment of a board meeting

With the exception of matters required to be discussed at a board meeting under Article 3.1.3 herein, when the Board of Directors appoints a party to exercise the powers of the Board in accordance with applicable laws and regulations or the Company's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific.

**3.15** The enactment of these Rules shall be subject to approval of the Board of Directors, and reported at a shareholders' meeting. The amendments hereto, if any, shall be resolved by the Board of Directors with authorization.

These Rules were implemented upon approval by 1st shareholders' meeting on January 8, 2010.

1st amendments hereto were approved by the Audit Committee and Board of Directors on April 12, 2010.

2nd amendments hereto were approved by the Audit Committee and Board of Directors on August 23, 2010.

3rd amendments hereto were approved by the Audit Committee and Board of Directors on March 13, 2013.

4th amendments hereto were approved by the Audit Committee and Board of Directors on November 10, 2017.

5th amendments hereto were approved by the Audit Committee and Board of Directors on February 21, 2020.

#### **4 Focus of management:**

**4.1** Whether these Rules include the main agenda items, operating procedures, required contents of meeting minutes, public announcements, and other compliance requirements.

**4.2** Whether, except in the case of an emergency under which a board meeting is convened, a parliamentary unit is appointed to draft agenda items and prepare sufficient meeting materials, and deliver them together with the meeting notice to each director and Audit Committee within 7 days prior to the meeting.

**4.3** Whether the Company prepares the attendance book and counts the attendance ratio when convening a board meeting, and whether a proxy form stating the scope of authorization is issued in the case of attendance by proxy.

**4.4** Whether the Company creates and maintains the name list and profile of directors

and their related parties, and whether the parliamentary unit of the Board of Directors reminds in the board meeting notice or related documents that participants in discussion and voting at the board meeting shall note the avoidance of conflict of interest.

**4.5** If the Company has appointed independent directors, whether the dissent or reservation expressed by an independent director, if any, is specifically recorded in the minutes of the board meeting.

**4.6** Whether the board meeting minutes is distributed to each director and Audit Committee within 20 days after the meeting.

**4.7** If any resolution made by the board meeting (1) is dissented or reserved by any independent director, and the dissent or reservation is included in records or stated in writing, or (2) is not passed by the Audit Committee but subject to approval of more than second-thirds of the whole directors, whether it is recorded in the minutes of the board meeting, and announced and reported on the information reporting website designated by the competent authority within 2 days after the board meeting.

**4.8** Whether the attendance book for a board meeting constitutes part of the meeting minutes.

**4.9** Whether the proceedings of a board meeting is recorded in their entirety in audio or video (required, in the case of a video conference).

**4.10** Whether the internal audit officer attends the board meeting as a non-voting participant and submits the audit business report.

**5 Reference:**

**5.1** Regulations Governing Procedure for the Board of Directors Meetings for Public Companies

**6 Form:**

**6.1** Meeting Notice

**6.2** Meeting Minutes

## Appendix 4

### TPK Holding Co., Ltd. Shareholdings of All Directors

Record Date: April 8, 2023

Title	Name	Date Elected	Shareholding when Elected		Current Shareholding		
			Shares		Shares		%
Chairman	Michael Chao-Juei Chiang	6/23/2022	Common shares	17,720,401	Common shares	17,720,401	4.36
Director	Hsieh, Li-Chien	6/23/2022	Common shares	0	Common shares	0	0
Director	Tsai, Tsung-Liang	6/23/2022	Common shares	0	Common shares	0	0
Director	Capable Way Investments Limited Representative: Liu, Hsi-Liang	6/23/2022	Common shares	23,139,855	Common shares	23,139,855	5.69
Director	Max Gain Management Limited Representative: Chang, Heng-Yao	6/23/2022	Common shares	25,222,643	Common shares	25,222,643	6.20
Director	High Focus Holdings Limited Representative: Liu, Shih-Ming	6/23/2022	Common shares	13,273,610	Common shares	13,273,610	3.26
Independent Director	Weng, Ming-Jeng	6/23/2022	Common shares	0	Common shares	0	0
Independent Director	Cheng, Yen-Wei	6/23/2022	Common shares	0	Common shares	0	0
Independent Director	Wang, Hsiu-Chun	6/23/2022	Common shares	0	Common shares	0	0

Total shares issued as of April 8, 2023: 406,663,759 Common Shares.

Note1. Article 26 of the Securities and Exchange Act is not applicable to TPK Holding Co., Ltd..

Note2. Due to the establishment of the Audit Committee, the shareholding requirement for the supervisors is not applicable.

Note3. As of April 8, 2023, TPK Holding Co., Ltd.'s Directors together held 79,356,509 TPK Holding Co., Ltd. shares.