

**(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)**

## **Articles of Incorporation of PEGATRON CORPORATION**

### **CHAPTER 1 GENERAL PROVISIONS**

- Article 1: This Company is incorporated under the Company Act, with the name of 和碩聯合科技股份有限公司, and the English name of PEGATRON CORPORATION.
- Article 2: The business scope of the Company is as following:
1. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
  2. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
  3. CC01120 Data Storage Media Manufacturing and Duplicating.
  4. F108031 Wholesale of Drugs, Medical Goods.
  5. F208031 Retail sale of Medical Equipments.
  6. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except for those subject to special approval.
- Article 3: The Company has its head office in Taipei City, and the Company may establish branches in and out of this country.
- Article 4: The method of the public announcement of the Company shall be made in accordance with Article 28 of the Company Act.

### **CHAPTER II SHARES**

- Article 5: The authorized capital of the Company is NTD 30,000,000,000, divided into 3,000,000,000 shares, at a par value of NTD 10 per share. The shares may be issued in installments, and the shares which have not been issued would be authorized to board of directors to issue in installments. The registered capital keeps NTD 3,000,000,000 divided into 300,000,000 shares provided for exercise of the option of stock option certificates, preferred shares with warrants and warrants attached to corporate bonds, which may be issued in installments pursuant to the resolution of board of directors. If the Company issues stock option certificates at a price lower than the closing price on the issuance date, such issuance shall be approved by the special resolution of the shareholders' meeting.
- Article 5-1: When the Company buys back its shares in accordance with Subparagraph 1, Paragraph 1, Article 28-2 of the Securities and Exchange Act, and transfer to the employees at a price lower than the average price of the actual bought-back shares, it shall be resolved by two-thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares.
- Article 6: The total amount of the investments of the Company is not subject to the limit of 40% of its paid-in capital as set forth under Article 13 of the Company Act.
- Article 7: Share certificates of the Company shall be in registered form, attached with serial numbers and signed or sealed by the director representing the Company, and issued after the authentication of the bank which is

competent to certify in accordance with laws. The issued shares may be exempted from printing any share certificate, provided that such issuance shall be duly registered or kept with the securities depository and clearing agent.

Article 8: The shareholders' register shall be closed during 60 days prior to the date of an ordinary shareholders' meeting, 30 days prior to the date of an extraordinary shareholders' meeting, or five days period prior to the record dates for distribution of dividends, bonuses or other benefits of the Company.

Article 9: The shareholders of the Company shall conduct shares related affairs or exercise other relevant rights in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies unless the laws, regulations or securities regulation rules provide otherwise.

Article 10: The shareholders of the Company shall fill in the signature card when opening the account, provide specimen of signature or chop, and deliver to the Company or the shares affairs agent of the Company for record. The same applies to any change to the specimen of signature or chop.

### **CHAPTER III SHAREHOLDER'S MEETING**

Article 11: The Company's shareholders' meeting shall be of two types, ordinary shareholders' meeting and extraordinary shareholders' meeting. Ordinary shareholders' meeting shall be convened at least once a year, and shall be convened within six months after close of each fiscal year. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations.

A notice to convene an ordinary meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice to convene an extraordinary meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. Such notice shall specify the meeting date, meeting venue, and proposed matters and be sent to the shareholders in writing or by electronic transmission, provided that for the shareholders who hold less than 1,000 shares, such notice may be publicly announced instead.

Article 11-1: The shareholders who hold 1% or more than 1% shares may submit the written proposal to the Company when convening the ordinary shareholders' meeting, provided that only one proposal may be submitted. If there is more than one proposal, all the proposals shall not be listed in the agenda. Relevant procedures shall be handled in accordance with the Company Act and relevant regulations.

Article 12: When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. When the shareholders meeting was convened by other persons who has the convening right, the shareholders' meeting shall be presided by the convener. When there are two or more conveners, the conveners shall elect among themselves to act as the chairman of the meeting.

- Article 12-1: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be made and distributed by electronic transmission to all shareholders of the Company within twenty days after the close of the meeting. After public issuance of the Company's shares, the distribution of the minutes of shareholders' meeting may be effected by means of a public notice.
- Article 13: When a shareholder for any reasons cannot attend the shareholders' meeting in person, he/she/it may attend the meeting by proxy by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. The proxy for attending the shareholders' meeting shall be handled in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.
- Article 14: Except in the circumstances set forth in the Company Act where there is no voting right for a share, each shareholder of the Company shall have one vote for each share held.
- Article 15: Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person or through proxy, who represent more than one-half of the total number of voting shares.
- Article 16: If the shareholder of the Company is composed of a sole institutional shareholder, functions of the Company's shareholders' meetings shall be carried out by the Company's board of directors. In that case, all provision in connection with shareholders' meetings herein shall not apply.

#### **CHAPTER IV DIRECTORS, AUDIT COMMITTEE AND MANAGERS**

- Article 17: The Company shall have five (5) to thirteen (13) directors. The term of their offices shall be three (3) years. The election shall adopt the candidate nomination system which is conformed to the Company Act, and the shareholders shall elect the directors from the list of the nominated candidates and the directors may be re-elected for consecutive terms. During the term of their offices, the Company may purchase liability insurance for the directors to indemnify the potential liabilities, according to the relevant laws, to be borne by the directors when they perform their duties for the Company.

After the public issuance of the Company's shares, the Company may have independent directors within the aforementioned number of directors and the number of independent directors shall be no less than one-fifth of the total number of directors and shall not be less than three (3). The election of independent directors shall adopt the candidate nomination system, and the shareholders shall elect the independent directors from the list of the candidates of the independent directors. The professional qualifications, shareholdings, restrictions on concurrent position, nomination, and other compliance matters shall be handled in accordance with relevant regulations of the securities authorities.

Article 17-1: Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directors.

Article 18: The board of directors is composed of directors. The functions and responsibilities of the board of directors shall be as follows:

1. To determine the business plans,
2. To propose distribution of profit or appropriation of losses,
3. To propose capital increase or decrease,
4. To enact important rules and organizational regulations of the Company,
5. To engage and terminate the manager of the Company,
6. To determine the establishment and winding-up of branches,
7. To produce the budget and the final accounts, and
8. To perform other duties authorized by the Company Act or the resolution of the shareholders' meeting(s).

Article 19: The Chairman will be elected from among directors by a majority vote at a board meeting at which at least two-thirds (2/3) of directors are present, and one Vice Chairman may be elected among directors in view of business need. The Chairman shall be the representative of the Company externally.

Article 20: Board meetings shall be convened by the Chairman unless the Company Act provides otherwise. Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 21: The Chairman will preside at the board meetings. In the event that the Chairman is on leave or unable to perform his/her duties, the deputy shall be appointed in accordance with Article 208 of the Company Act. The directors shall personally attend the board meeting, and if the directors cannot attend the board meeting for certain reasons, he/she may appoint another director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the subjects to be discussed at the meeting and powers granted; provided that a director may act as the proxy for only one another director.

The board meeting may be convened via video conference, and the directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person.

Article 21-1: Convening the board meeting shall be handled in accordance with Article 204 of the Company Act and relevant securities laws and regulations. In order to convene the board meeting, notice may be made by written notice, e-mail or fax. If the board meeting needs to be convened due to emergency, it may be convened at any time.

Article 22: The authority of the Audit Committee and the other compliance issues shall be made according to the Securities and Exchange Act and other relevant laws and regulations.

Article 23: The remuneration of directors may be determined by taking into account their participation in the Company's business and their contribution value, and domestic and overseas industry standards and the board meeting is authorized to resolve the amount of the remuneration. Furthermore, if the director of the Company holds any position in the Company, in addition

to the remuneration distributed pursuant to Article 26-1 hereof, monthly payment of salary based on the standard of general managers may also be granted.

Article 24: The Company may have various managers. The appointment, discharge and the remuneration of the managers shall be handled in accordance with Article 29 of the Company Act.

## **CHAPTER V ACCOUNTING**

Article 25: The fiscal year of the Company commences from January 1 to December 31. Final accounts shall be handled at the end of each fiscal year.

Article 26: After the end of each fiscal year, the following documents and statements should be approved by audit committee and afterward approved by the board of directors, and then submit the same to the ordinary shareholders' meeting for recognition:

1. Business Report,
2. Financial Statements, and
3. Proposal for distribution of profit or appropriation of losses.

Article 26-1: When it is determined that the Company has profit for a fiscal year, the Company shall appropriate the employees' and directors' remuneration according to the following sequence. But, in the case that the Company still has retained losses, the Company should appropriate sufficient amount for making up the losses of previous year and then appropriate according to the following sequence:

1. At least 7% of the profit shall be allocated as the remuneration of employees, which may be paid in cash or in the form of shares, and qualified employees of the parent and subordinate companies, who meet qualification requirements, may be included. The qualification requirements shall be determined by the board of directors.
2. At most 7% of the profit shall be allocated as directors' remuneration. In this article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

Article 26-2: If any of the following circumstances applies, the qualified employees of the parent and subordinate companies, who meet qualification requirements, may be included. The qualification requirements shall be determined by the board of directors.

1. Buying back shares of the Company and transferring to employees according to Article 5-1 of Pegatron's Articles of Incorporation, Company Acts and relevant securities laws and regulations.
2. Issuing employees' share subscription warrant according to Article 167-2 of Company Act.
3. The reserved portion for employees' subscription of new shares issuance and issuing restricted stock for employees according to Article 267 of Company Act.

Article 27: The distribution of dividend and profit shall be based on the shareholding of each shareholder. If the Company does not have any earnings, no dividend or profit may be distributed.

Article 28: When it is determined that the Company has earnings for a fiscal year, the earnings shall firstly be appropriated to profit-seeking enterprise tax payable, and make up the losses of previous years. Then, the Company

shall provide 10% of the remaining earnings as the legal reserve if there is any remaining amount, unless such legal reserve has amounted to the paid-in capital, and then set aside the special reserve in accordance with the requirements under the laws and regulations or of the competent authorities.

The remaining and the accumulated undistributed earnings of previous years may then be distributed or kept after the board of directors has made proposal of earnings distribution, and the distributable dividend and bonus may be paid in issuing new shares after a resolution has been adopted by special resolution of shareholders' meeting.

According to Article 240, paragraphs 5 of Company Act, the distributable dividends and bonus in whole or in part or the legal reserve and capital reserved in whole or in part which are brought in Article 241, paragraphs 1 of Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting..

Article 28-1: The distribution of the dividends of the Company will coordinate with the surplus of that year based on the principle of stabilization. Due to the Industry of the company changes instantly and considering the future financing requirement and the long term business plan, the company takes a balance dividend policy. If the Company would set aside dividend under Article 28, the amount shall not be lower than 10% of distributable surplus of the fiscal year, and the cash dividend would be at least ten percent (10%) of the total dividend in the shareholders bonus to be distributed.

Article 29: The distribution of the dividends to shareholders would be limited to the shareholders recorded in the shareholders' register 5 days prior to the record date for distribution of dividends and bonus as determined.

## **ARTICLE VI SUPPLEMENTARY PROVISIONS**

Article 30: The Company may provide guarantee as necessary for the business.

Article 31: The organizational rules and operating rules of the Company shall be enacted separately.

Article 32: If there is any matter not covered herein, the Company Act and the relevant laws and regulations shall govern.

Article 33: This Articles of Incorporation was established on June 21, 2007 by consent of all promoters in the promoters' meeting. The first amendment to the Articles of Incorporation was made on July 2, 2007. The second amendment to the Articles of Incorporation was made on September 7, 2007. The third amendment to the Articles of Incorporation was made on September 29, 2007. The fourth amendment to the Articles of Incorporation was made on October 30, 2007. The fifth amendment to the Articles of Incorporation was made on April 24, 2008. The sixth amendment to the Articles of Incorporation was made on June 30, 2009. The seventh amendment to the Articles of Incorporation was made on March 30, 2010. The eighth amendment to the Articles of Incorporation was made on June 24, 2011. The ninth amendment to the Articles of Incorporation was made on June 27, 2012. The tenth amendment to the Articles of Incorporation was

made on June 19, 2013. The eleventh amendment to the Articles of Incorporation was made on April 20, 2016. The twelfth amendment to the Articles of Incorporation was made on June 20, 2017. The thirteenth amendment to the Articles of Incorporation was made on June 21, 2019.

Pegatron Corporation  
Chairman: TUNG, TZU-HSIEN