

**CHROMA ATE INC.**  
**Articles of Incorporation**

**Chapter One: General Provisions**

**Article 1**

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be CHROMA ATE INC.  
The Company English name is CHROMA ATE INC.

**Article 2**

The scope of business of the Corporation shall be as follow:

1. CC01110 Computers and peripheral equipment manufacturing.
2. F113050 Wholesale of computers and clerical machinery equipment.
3. F213030 Retail sale of computers and clerical machinery equipment.
4. E605010 Computing equipment installation.
5. CC01080 Electronics components manufacturing.
6. F119010 Wholesale of electronic materials.
7. F219010 Retail sale of electronic materials.
8. JA02010 Electrical appliance and electronic products repair.
9. CC01120 Data storage media manufacturing and duplicating.
10. F118010 Wholesale of computer software.
11. F218010 Retail sale of computer software.
12. I301010 Information software services.
13. CE01010 General instrument manufacturing.
14. F113030 Wholesale of precision instruments.
15. F213040 Retail sale of precision instruments.
16. EZ05010 Apparatus installation.
17. CC01060 Wired communication mechanical equipment manufacturing.
18. CC01070 Wireless communication mechanical equipment manufacturing.
19. CC01101 Controlled telecommunications radio-frequency devices and materials manufacturing.
20. F401021 Controlled telecommunications radio-frequency devices and materials import.
21. F401010 International trade.
22. CB01010 Mechanical equipment manufacturing.
23. CE01030 Optical instruments manufacturing.
24. CF01011 Medical devices manufacturing.
25. F113070 Wholesale of telecommunication instruments.
26. F213060 Retail sale of telecommunication apparatus.
27. H701040 Specific area development.
28. H701060 New towns, new community development.
29. H701010 Housing and building development and rental.
30. H701020 Industrial factory development and rental.
31. H702010 Construction manager.
32. H703090 Real estate business.
33. H703100 Real estate leasing.

- 34. F108031 Wholesale of medical devices.
- 35. F208031 Retail sale of medical apparatus.
- 36. ZZ99999 All businesses that are not prohibited or restricted by law, except those that are subject to special approval.

### **Article 3**

The Corporation shall be able to render guarantee (including endorsement) to a third party for business purposes.

### **Article 4**

When the Corporation invests in other companies as a shareholder, it shall not be subject to the restriction of the Company Law which provides that the total amount of such investment shall not exceed forty percent (40%) of the amount of this Corporation's paid-in capital. Any such investment by this Corporation shall be made in accordance with a resolution adopted by the Board of Directors.

### **Article 5**

The head office of the Company shall be in Taoyuan City, Taiwan. Pursuant to the resolutions adopted by the Board of Directors, the Company may, if necessary, set up branches or factories within and outside the R.O.C.

### **Article 6**

Any public announcement by this Corporation shall be made in accordance with the Company Law.

## **Chapter Two: Capital Stock**

### **Article 7**

The total authorized capital stock of the Corporation is Five Billion New Taiwan Dollars (NT\$5,000,000,000), divided into Five Hundred Million (500,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10). The Board of Directors is authorized to issue the un-issued shares in installments, of which Three Hundred Million New Taiwan Dollars (NT\$300,000,000), divided into Thirty Million (30,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) are reserved for issuance of employee stock options. The Board of Directors is authorized to issue the unissued shares at a premium in installments.

#### **Article 7-1**

Where the exercise price of the employee stock options is set to be lower than the closing price of the Corporation's common shares on the date that the options are

issued, the Corporation may need over two-thirds of the votes in the shareholders' meeting attended by over 50% of shares represented by the shareholders present at the meeting.

Where the exercise price of the employee stock options is set to be lower than the average buyback price of common shares, the Corporation may transfer the buy-back common shares to the employees, by over two-thirds of the votes in the shareholders' meeting attended by over 50% of shares presented by the shareholders present at the meeting.

#### **Article 7-2**

The Company may, upon approval, repurchase treasury shares to any employees of the Company and its Subsidiaries.

The Company may, upon approval by a majority of the Directors at a meeting, adopt incentive programmes and may issue restricted shares or options, warrants, or other similar instruments, to employees of the Company and its Subsidiaries.

Where the Company increases its capital in cash by issuing new shares in R.O.C., the Company may reserve a number of new shares to be issued to employees of the Company and its Subsidiaries.

#### **Article 8**

All share certificates of this Corporation shall be issued in registered form after being signed by and affixed with the seals of at least three directors.

The representative of any legal person shareholder shall record its name and address in the shareholders' roster. If the representation consist of two or more persons, only one person shall act as the major representative.

The Corporation may issue registered stocks by combining and printing multiple shares in one share certificate, placed under the custody of a custodian.

The Corporation may issue registered stocks without printing shared certificates. Any shares shall be recorded by a centralized securities custodian. The preceding two provisions do not apply.

#### **Article 9**

The shareholder shall provide a signature (or seal) card and submit it to the Corporation for record. Claims for collection of shared dividend, or exercise of shareholders' rights must be verified truthfully with the imprint of the seal shown on the before mentioned card.

#### **Article 10**

For all transfer of stocks and pledge of rights, the shareholder shall fill in the application form signed and sealed by the transferor and transferee, pledgor and

pledgee, and apply to the Corporation for alternation of the entries in the shareholders' roster. Inheritance and gift needs supporting documents.

#### **Article 11**

The Corporation shall charge for administrative fees for the reissue of share certificates due to loss and damage of the original share certificates.

#### **Article 12**

Registration of share transfers shall be suspended for sixty (60) days prior to any ordinary meeting of shareholders, thirty (30) days prior to any extraordinary meeting of shareholders, and five (5) days prior to any rate on which dividends, and bonuses or any other benefits are scheduled to be distributed by the Corporation.

#### **Article 13**

All matters regarding the Corporation's shares shall be conducted in accordance with the Company Law and relevant laws and regulations.

### **Chapter Three: Shareholders' Meetings**

#### **Article 14**

Shareholders' meetings may be ordinary meetings or extraordinary meetings. Ordinary meetings shall be convened annually by the Board of Directors within six months after the end of each fiscal year, and extraordinary meetings may be convened when necessary in accordance with applicable laws.

#### **Article 15**

The Chairman of the Board of Directors shall preside at each meeting of shareholders. In the event the Chairman of the Board of Directors is absent, he shall designate one director to act on his behalf. In the absence of such a designation, the directors shall elect a director from among themselves to preside at the meeting.

If the shareholders' meeting is called by any convener external to the Board of Directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners.

#### **Article 16**

If a shareholder is unable to attend a meeting, he / she may appoint a representative to attend it, and to exercise, on his / her behalf, all specified rights at the meeting, in accordance with Article 177 of the Company Law.

#### **Article 17**

A shareholder shall be entitled to one vote for each share held by him / her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 Item 2 of the Company Law.

#### **Article 18**

Unless otherwise provided in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

A shareholder who exercises his voting right in the way of electronic transmission shall be deemed to have attended the shareholders' meeting in person.

#### **Article 19**

The resolution adopted by the shareholders' meeting shall be recorded in writing; the meeting minutes must be signed by or imprinted with the seal of the chairperson and distributed to shareholders within twenty (20) days after the meetings. The minutes of the shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and results of the meetings. The minutes shall be kept permanently throughout the life of the Corporation.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Corporation for the minimum period of one year.

### **Chapter 4: Directors and Audit Committee**

#### **Article 20**

The Company shall establish the Board of Directors constituted by five (5) to seven (7) directors. The shareholders' meeting votes shall be casted among candidates on the candidates list through the cumulative ballot system specified in Article 198 of the Company Law. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.

Conform to the Company Law and Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors.

The directors (including independent directors) shall be elected from among the nominees listed as director candidates pursuant to the candidates' nomination system. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.

When the posts of one-third or more of the directors have been vacated, a special

meeting of shareholders shall be convened to elect directors to fill the vacancies within sixty (60) days. The term of office of the new directors shall be the same as the original director(s)' term(s).

The Company may purchase liability insurance for directors and management in accordance with business requirements.

#### **Article 21**

The Board of Directors shall be organized by the directors in accordance with the relevant laws. The Chairman of the Board of Directors shall be elected by a majority of the directors present at a meeting attended by two-thirds of the directors. The Chairman of the Board of Directors shall be the authorized representative of the Corporation. If necessary, Chairman may appoint consultants as resolute by the Board of Directors.

#### **Article 22**

Except for the first meeting of each term of the Board which shall be convened by the director who received a ballot representing the largest number of votes at the election of directors, Board meetings shall be convened by the Chairman, who shall also be the chairman of the meeting. The agenda of the Board of Directors meeting shall be arranged in advance and send to all directors seven (7) days in advance with detailed information of the meeting's date, venue, and agenda.

A Board meeting may be convened at any time, without such prescribed notice, in case of urgent circumstances.

Notifications for the meetings of the Board of Directors may be communicated through written notice, fax, and electronic mail.

#### **Article 23**

Unless provided in the Company Law or the Corporation's Articles of Incorporation, all resolutions of the Board shall be passed by the approval of over 50% of the directors present at the Board meetings with the attendance of over 50% of all the directors.

#### **Article 24**

In case the Chairman of the Board of Directors is on leave or otherwise cannot exercise his powers, he may designate in accordance with Article 208 of the Company Law.

**Article 25**

Directors shall attend the Board meeting in person. A director who is unable to attend the Board meeting may designate a representative among the other directors. Each time a director appoints another director to attend a meeting of the Board of Directors in his/her behalf, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the representative referred to in the preceding paragraph of one director only.

**Article 26**

The duties of the Board of Directors are as follows:

1. Formulate the business plan.
2. Approve the profit allocation plan.
3. Propose the increase/decrease of capital.
4. Formulate and amend the Articles of Incorporation.
5. Approve important contracts.
6. Approve the appointment, dismissal of, and remuneration payable to the Managerial Officers.
7. Establish or dissolve branch office.
8. Approve proposed budget and closing accounting.
9. Approve the merchandise of real estate or investment of other companies.
10. Other matters required by the laws and regulations and authorized by the shareholders' meeting.

**Article 27**

The established Audit Committee will be constituted by all the independent directors and replace the duty of supervisors.

**Article 28**

Responsibilities of the Audit Committee or the members of Audit Committee shall be those specified under the Company Law, Securities and Exchange Law, and other relevant laws and regulations.

**Article 29**

The remuneration of the directors shall be determined by the Board of Directors in consideration of the directors' participation in and devotion to the operation of the Corporation as well as reference to industry standards, regardless of the Corporation's

profits or losses. If the Corporation has earnings, the remuneration will be distributed in accordance with Article 34 of the Corporation's Articles of Incorporation.

## **Chapter 5: Managerial Officers**

### **Article 30**

The Corporation has one President and several Vice Presidents. The President shall be nominated by the Chairman; and his appointment shall be approved by more than 50% of the directors. The Vice Presidents shall be nominated by the President; and their appointment shall be approved by Chairman of the directors and report to Board of Directors.

### **Article 31**

The President shall be authorized by the Board of Directors to execute the Corporation business in accordance with the Articles of Incorporation and excluded from managerial office defined in the Article 26 Item 6.

## **Chapter 6: Accounting**

### **Article 32**

The fiscal year of the Corporation shall begin on 1 January and end on 31 December of each year. Upon closing of each fiscal year, the Board of Directors shall prepare the following statements and reports and shall submit these to the Audit Committee for inspection no later than thirty (30) days prior to the meeting date of the general shareholders' meeting:

1. Business report.
2. Financial statements.
3. Proposal for distributing earnings or covering losses.

### **Article 33**

The allocation of net profits will be distributed after taking into consideration of the Corporation's business environment and growth phase as well as the profitability, capital expenditures, and capital needs for future development plans. Such distribution may be made in ways and amount of payout. When the Corporation is currently in a growth phase, in concerning the cash needs for future development, the annual distributable cash earnings shall be no less than 20% of the total distributed cash and dividends.



#### **Article 34**

If the Company has surplus of that fiscal year, it shall allocated the profit to (1) 5-20% to employee bonuses, either in shares or cash as decided by the Board of Directors, persons eligible for such distribution shall include employees of the Company's subsidiaries who meet certain qualifications; (2) no more than 1.5% as the remuneration for directors. Employee bonuses and remuneration for directors should be presented in the shareholders' meeting.

The Company shall make up losses for preceding years before above mentioned payments are made.

#### **Article 34-1**

The Corporation shall allocate the earnings for each fiscal year in the order of paying tax, making up losses for preceding years, and a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total authorized capital of the Corporation. The Corporation may also set aside earnings, for operation or reverse a special reserve according to relevant regulations when necessary. Any surplus balance after the above mentioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution by the shareholders' meeting. When the Corporation has no surplus, no dividends and bonuses will be distributed.

If the Corporation's earnings distribution made by the way of cash dividend, the Board of Directors shall be authorized through special resolution to distribute and report to the shareholders meeting.

Where the Corporation incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting as required in the preceding Article, distribute its legal reserve and the following capital reserve, in whole or in part. The legal reserve can be distributed by issuing new shares or by cash and shall be limited to the part of the reserve exceeding, 25% of the paid-in capital.

If above mentioned article are made to distribute the Corporation's legal reserve and the following capital reserve, in whole or in part of cash payment, the Board of Directors are authorized through special resolution to distribute and report to the shareholders' meeting.

### **Chapter 7: Supplementary Articles**

#### **Article 35**

Any matters not provided for in these Articles of Incorporation shall be governed by the Company Law.

## **Article 36**

The Articles of Incorporation were made on 23 October, 1984.

The first amendment was made on 15 November, 1986.

The second amendment was made on 16 May, 1987.

The third amendment was made on 3 October, 1988.

The fourth amendment was made on 20 September, 1989.

The fifth amendment was made on 14 May, 1990.

The sixth amendment was made on 8 November, 1990.

The seventh amendment was made on 30 April, 1991.

The eighth amendment was made on 20 June, 1991.

The ninth amendment was made on 28 December, 1991.

The tenth amendment was made on 25 June, 1993.

The eleventh amendment was made on 10 September, 1993.

The twelfth amendment was made on 7 April, 1994.

The thirteenth amendment was made on 21 July, 1995.

The fourteenth amendment was made on 25 March, 1996.

The fifteenth amendment was made on 11 October, 1996

The sixteenth amendment was made on 24 May, 1997.

The seventeenth amendment was made on 28 April, 1998.

The eighteenth amendment was made on 13 May, 1999.

The nineteenth amendment was made on 10 May, 2000.

The twentieth amendment was made on 30 May, 2001.

The twentieth-first amendment was made on 21 May, 2002.

The twentieth-second amendment was made on 15 May, 2003.

The twentieth-third amendment was made on 18 May, 2005.

The twentieth-four amendment was made on 16 May, 2006.

The twentieth-five amendment was made on 30 May, 2007.

The twentieth-six amendment was made on 13 June, 2008.

The twentieth-seven amendment was made on 22 May, 2009.

The twentieth-eight amendment was made on 9 June, 2011.

The twentieth-nine amendment was made on 6 June 2012.

The thirtieth amendment is made on 10 June, 2015.

The 31<sup>st</sup> amendment is made on 7 June, 2016.

The 32<sup>nd</sup> amendment is made on 8 June, 2017.

The 33<sup>rd</sup> amendment is made on 8 June, 2018.

The 34<sup>th</sup> amendment is made on 18 June, 2019.