

**ARTICLES OF INCORPORATION  
OF  
PRIMAX ELECTRONICS LTD.**

**Chapter I. General provisions**

- Article 1. The Company shall be named Primax Electronics Ltd. (致伸科技股份有限公司) and be incorporated as a Company Limited by Shares in accordance with the Company Act of the Republic of China.
- Article 2. The scope of business of the Company shall be as follows:
1. CB01020 Office Machines Manufacturing
  2. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
  3. CC01060 Wired Communication Equipment and Apparatus Manufacturing
  4. CC01070 Telecommunication Equipment and Apparatus Manufacturing
  5. CC01080 Electronic Parts and Components Manufacturing
  6. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
  7. CC01110 Computers and Computing Peripheral Equipments Manufacturing
  8. CE01030 Photographic and Optical Equipment Manufacturing
  9. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
  10. I301010 Software Design Services
  11. F113050 Wholesale of Computing and Business Machinery Equipment
  12. F118010 Wholesale of Computer Software
  13. F213030 Retail sale of Computing and Business Machinery Equipment
  14. F218010 Retail Sale of Computer Software
  15. F114030 Wholesale of Motor Vehicle Parts and Supplies
  16. F214030 Retail Sale of Motor Vehicle Pars and Supplies
  17. C805050 Industrial Plastic Products Manufacturing
  18. CA02010 Metal Architectural Components Manufacturing
  19. CA02090 Metal Line Products Manufacturing
  20. F401010 International Trade
  21. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The head office of the Company shall be located in Taipei City. The Board of Directors may decide to establish branch offices in other appropriate locations, and shall decide for the establishment and dissolution of such branch offices.
- Article 4. The Company may provide guarantees for third parties as it deemed necessary for business or investment purposes in accordance with its internal Rules for Endorsement and Guarantee
- Article 4-1. The Company may invest in other enterprises as deemed necessary for its business operations, and may, upon the approval of the Board of Directors, act as a shareholder with limited liability of another company, and its total investment in other enterprises is not

subject to the limit of 40% of the Company's paid-in capital prescribed in Article 13 of the Company Act.

Article 4-2. The Company shall make public announcements in accordance with Article 28 of the Company Act.

## **Chapter II. Shares**

Article 5. The total capital of the Company is authorized at Five and Half Billion New Taiwan Dollars (NT\$5,500,000,000), which consists of 550,000,000 common shares, with a par value of Ten New Taiwan Dollars (NT\$10) per share, which the Board of Directors has been authorized to issue in stages. Forty Million (40,000,000) shares of the total number of shares specified in the preceding paragraph, with a par value of Ten New Taiwan Dollars (NT\$10) per share, shall be preserved for issuing employee share subscription warrant, which the Board of Directors has been authorized to issue in one-time or in stages in accordance with actual needs.

When the Company buys back its shares, issues share subscription warrant and restricted stock awards, reserves the share subscription rights for employees when issues new shares in accordance with the laws, the employees who are entitled to receive the aforementioned stock or rights may include the employees of parents or subsidiaries of the Company meeting certain specific requirements

Article 6. When the Company issues new stock, all shares for that issuance may be printed in one printing in accordance with Article 162-1 of the Company Act, and shall be deposited with the centralized securities depository enterprise. Alternatively, if the Company does not need to print shares for its issued stock in accordance with Article 162-2 of the Company Act, must register stock with the centralized securities depository enterprise.

Article 6-1. A shareholders' resolutions shall be adopted before the Company withdraws its public offering of shares, and this provision shall not be amended while the Company is still listed (or OTC listed).

Article 7. Except when the requirements of other laws or securities rules apply, the Company's stock affairs including transfer, creation of pledge, reporting of loss, transfer via inheritance, transfer via gift, lost or change of specimen chop and change of address shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 8. The entries in the shareholders' roster shall not be altered within the time periods specified in Article 165 of the Company Act.

## **Chapter III. Shareholders' Meetings**

Article 9. Shareholder meetings shall consist of regular meetings and special meetings. Regular meetings shall be convened once a year within 6 months from the end of each accounting year. Special meetings shall be convened as required.

- Article 10. A notice to convene a regular meeting of shareholders shall be given to each shareholder thirty (30) days in advance. A notice to convene a special meeting of shareholders shall be given to each shareholder fifteen (15) days in advance. The notice shall state when, where and why the meeting is to be convened. The company shall also prepare a manual for shareholders' meeting proceedings prior to the scheduled meeting date of that shareholders' meeting.
- Article 11. Except in the circumstances set forth in the Company Act under which the shares shall have no voting power, shareholders of the Company shall be entitled to one vote for each share they hold. The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporaneous motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Such shareholder's declaration of intention shall be dealt with in accordance Article 177-2 of the Company Act.
- Article 12. Except where other legal regulations apply, all shareholders meetings shall be convened by the Board of Directors in accordance with the Company Act, and the Chairman of the Board of Directors shall serve as the chairman of shareholder meetings. In case the Chairman of the Board is on leave or absent or can not exercise his/her power and authority for any cause, the designation of his/her duties shall follow Article 208 of the Company Act; where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 13. Resolutions at a Shareholders' meeting shall, unless otherwise provided by law, be adopted by a majority vote of shareholders present in person or by proxy, who represent a majority of the total number of outstanding shares.
- Article 14. In case a shareholder is unable to attend the shareholders' meeting, that shareholder may explicitly appoint one proxy agent to attend on his/her behalf within a scope of authorization upon presentation of a proxy letter issued by the Company. Except when the requirements of the Company Act apply, the use of proxies for attendance at shareholder meetings shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
- Article 15. Resolutions made in shareholder meetings shall be recorded in the minutes and signed and affixed thereon by the chairman. The minutes shall be sent to all shareholders within 20 days after the meeting. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be effected by means of electronic transmission or a public announcement

## **Chapter IV. The Board of Directors**

Article 16. The Company shall establish a Board consisting of from 5 to 9 persons, all to be elected from among persons with legal capacities by the shareholders for terms of 3 years. A candidates nomination system shall be adopted for the election of directors and the same person may be elected again upon expiry of the term. Among the above-mentioned number of directors, the Company may have at least three and not less than one-fifth (1/5) of the directors as independent directors, who shall be elected by the shareholders under the candidate nomination system. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence, method of nomination and election and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the competent authority. The directors of the Company shall be elected in accordance with the Rules for Election of Directors of the Company.

The total number of registered shares of the Company that may be held by all directors shall be follow the standard established in accordance with the “Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice” promulgated by the competent authority.

The Company may establish a remuneration committee or other functional committees in accordance with actual needs.

Article 16-1 The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, which shall be responsible for exercising such powers and duties of supervisors specified in the Company Act, the Securities and Exchange Act and other laws.

The audit committee shall be composed of the entire number of independent directors, at least one of whom shall have accounting or financial expertise, and one of whom shall be convener.

A resolution of the audit committee shall have the concurrence of one-half or more of all members.

Article 17. The directors shall form a Board of Directors. The Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a meeting attended by two-thirds or more of the directors. The Board of Directors may also in the same manner elect the Vice Chairman. The Chairman of the Board of Directors shall represent the Company externally.

Article 18. Unless otherwise provided by law, meeting of the Board of Directors shall be called and chaired by its Chairman. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the Chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. In calling a meeting of the Board of Directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In

the case of emergency, the meeting may be convened at any time. The notice may be delivered in writing, by email or fax.

Article 19. 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 20. If, for any reason whatsoever, a director cannot attend a Board meeting, that director may issue a letter of authorization designating another director to act on behalf of the absent director; however, a director may act as the representative of only one other director. When a Board meeting is held by video conference, directors participating in such a meeting through video conference shall be deemed to have participated in the meeting in person.

Article 21. The Company's directors shall be entitled to travel allowances at an amount determined by the Board. The Board shall be authorized to determine the compensation of all directors on the basis of the prevailing standards in the industry. If a director concurrently holds another post at the Company, the salary received by such director for the other post shall be provided in accordance with the rules of the Company relating to personnel management.

Article 22. Directors of the Company may authorize the Board to purchase liability insurance during the terms of the directors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.

## **Chapter V. Management Personnel**

Article 23. The Company shall have general manager responsible for managing all business at the Company in accordance with Board decisions. The general manager shall be appointed or dismissed by a resolution to be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Company.

Article 24. The Board of Directors shall prepare the following statements at the closing date/end of each fiscal year, and submit them to the general shareholder meeting for recognition:

1. Report on operations;
2. Financial Statements; and
3. Proposal concerning distribution of net profits or action to deal with losses.

Article 25. When allocating the earnings for each year, the Company shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earning left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws, the balance of the earnings shall combined into an aggregate amount of undistributed surplus, which shall become the aggregate distributable surplus; to be distributed by the Board's distribution proposals and according to the resolution adopted at the shareholders meeting.

The Company shall distribute 2 to 10 percent of distributable profit of the current year as employee's compensation and not more than 2% of the profit for Directors' compensation; provided, however, that the Company shall have reserved a sufficient amount to offset its

accumulated losses.

The employee's compensation may be distributed by way of shares or cash ; and the employees entitled to receive shares or cash includes the employees of subsidiaries of the company meeting certain requirements.

The said Copmany's profit for each year as set forth in the second paragraph shall be the profit before tax (PBT) (i.e. before deducting the sums of employee's compensation and Directors' compensatoin).

The Company may distribute employee's compensation and the Directors' compensation by a resolution adopted by a majority vote at a meeting of the Board attended by two-thirds of the total number of Directors; a report of such distribution shall be submitted to the meeting of the Members.

Article 26. Based on the Company's current environment, growth stage, future capital needs and long term financial planning, and taking into consideration on the interests of shareholders and a balanced dividend; dividend shall be distributed as a stock or cash dividend, but a cash dividend should be no lower than ten percent (10%) of the total shareholder dividend. However, the proportion of the above cash dividend shall be adjusted based on the overall business operations of the current year.

Article 27. When the Company issues employee share subscription warrant at the offering price below their market value (net worth of each stock), a special resolution shall be adopted, at a shareholders' meeting, by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company. To transfer shares to employees at less than the average actual share repurchase price, the Company must have, before such transfers, obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

## **Chapter VI. Supplementary Provisions**

Article 28. Rules for implementation of these Articles of Incorporation may be set up separately.

Article 29. Provisions of the Company Act shall be referred to for matters not provided for in these Articles of Incorporation.

Article 30. These Articles of Incorporation were established on March 8, 2006.

First amendment was made on April 3, 2007.

Second amendment was made on June 13, 2007.

Third amendment was made on October 5, 2007.

Fourth amendment was made on November 7, 2007.

Fifth amendment was made on December 28, 2007.

Sixth amendment was made on August 27, 2009.

Seventh amendment was made on September 22, 2009.

Eighth amendment was made on October 23, 2009.

Ninth amendment was made on November 20, 2009.

Tenth amendment was made on June 25, 2010.

Eleventh amendment was made on June 19, 2012.

Twelfth amendment was made on June 25, 2013.  
Thirteenth amendment was made on September 5, 2014.  
Fourteenth amendment was made on June 29, 2015.  
Fifteenth amendment was made on June 20, 2016.  
Sixteenth amendment was made on May 30, 2018.  
Seventeenth amendment was made on July 13, 2021.

Primax Electronics Ltd.

Chairman: Li-Sheng Liang