



# **Articles of Incorporation of M31 Technology Corporation**

## **Section I General Provisions**

- Article 1 The Company shall be incorporated under the Company Act, and its name shall be M31 Technology Corporation.
- Article 2 The scope of business of the Company shall be as follows:  
CC01030 Electrical Appliance and Audiovisual Electric Products Manufacturing  
CC01060 Wired Communication Mechanical Equipment Manufacturing  
CC01070 Wireless Communication Mechanical Equipment Manufacturing  
CC01080 Electronics Components Manufacturing  
CC01090 Manufacture of Batteries and Accumulators  
CC01110 Computer and Peripheral Equipment Manufacturing  
CC01120 Data Storage Media Manufacturing and Duplicating  
CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing  
F118010 Wholesale of Computer Software  
F218010 Retail Sale of Computer Software  
F219010 Retail Sale of Electronic Materials  
F601010 Intellectual Property Rights  
I301010 Information Software Services  
I301020 Data Processing Services  
I301030 Electronic Information Supply Services  
I199990 Other Consulting Service  
IZ99990 Other Industrial and Commercial Services  
CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified  
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3 The total amount of the Company's reinvestment shall not be subject to the restriction of no more than 40% of the Company's paid-up capital, as provided in Article 13 of the Company Act. The Company may provide endorsement and guarantee and act as a guarantor.

- Article 4 The Company has registered its headquarters in Hsinchu County, Taiwan, Republic of China. Upon approval of government authorities in charge, the Company may also have branch offices at such other places both within and without the territory of the Republic of China as the Board of Directors may determine whenever is necessary.
- Article 5 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

## **Section II Capital Stock**

- Article 6 The total capital stock of the Company shall be in the amount of NT\$800,000,000, divided into 80,000,000 shares at a par value of NT\$10 each. The Board of Directors is authorized to issue the shares in installments as required.
- A total of NT\$120,000,000 among the above total capital stock should be reserved for employee stock options, which may be issued in installments by resolution of the Board of Directors.
- The Company's employee stock options are issued to employees, including employees of control and affiliated companies who meet certain criteria.
- When the Company issues new shares, the employees who acquire the shares include those who meet certain criteria for control and affiliated companies.
- The Company issued new Employee restricted shares to employees of control and subordinate companies who meet certain criteria.
- Treasury shares acquired by the Company in accordance with the law are transferred to employees of control and affiliated companies who meet certain criteria.
- Article 6-1 The issuance of employee stock options with an exercise price lower than the closing price of the Company's ordinary shares on the date of issuance shall be subject to the approval of the shareholders' meeting with more than half of the shareholders representing the total number of outstanding shares and two-thirds of the shareholders' voting rights present.
- The transfer of shares of the Company's ordinary shares to employees at a price less than the average price at which the shares of the Company's ordinary shares were actually repurchased shall be approved by at least two-thirds of the voting rights of the shareholders present at the most recent shareholders' meeting representing more than half of the total number of outstanding shares.
- Article 7 The share certificates of the Company shall all be name-bearing and issued in accordance with Article 161-1 of the Company Act. Share certificates issued by the Company are exempted from printing; however, they shall be registered in the central securities depository.

- Article 8 Registration for share transfer shall be suspended sixty days before the date of general shareholders' meeting, and thirty days before the extraordinary shareholders' meeting, or within five days before the day on which the Company determines to pay dividends, bonuses, or any other benefits.

### **Section III Meetings of Shareholders**

- Article 9 The shareholders' meetings of the Company are classified into two types. The annual meeting shall be annually convened by the Board within six months from the end of each fiscal year in accordance with the relevant laws and regulations. The extraordinary meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.  
The Company's shareholders' meetings may be held by video conference or by announcement of the central competent authority.
- Article 10 Shareholders may designate a proxy to attend the shareholders' meeting with a power of attorney issued by the Company in accordance with Article 177, Article 177-1, and Article 177-2 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies promulgated by the competent authority.
- Article 11 Shareholders of the Company are entitled to one vote for each share held. However, if there are exceptions to the provisions of Article 179 of the Company Act, this shall not apply to Company's shares held by its own pursuant to laws and regulations.
- Article 12 The resolutions of shareholders' meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of the total number of issued shares. Shareholder who votes electronically shall be deemed as attending the Meeting in person. Electronic voting shall be conducted in accordance with relevant laws and regulations.  
The proposal shall be deemed adopted if all attending shareholders are solicited by the Chairman and no objection is voiced. Its validity is the same as voted by casting ballot.  
The Company may withdraw from public offering upon shareholder approval at the Meeting and submission of a request for withdrawal to the competent authority.
- Article 13 If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman 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 as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a Shareholders' Meeting is convened by a party with power to convene but other than the



Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 14 The resolutions of the shareholders' meeting shall be recorded in the minutes. The minutes shall be signed or affixed to the meeting Chairman's seal and be distributed to all shareholders within twenty days after the meeting. The distribution of the preceding minutes shall be in accordance with the provisions of the Company Act.

#### **Section IV Directors and Audit Committee**

Article 15 The Company shall have five (5) to nine (9) directors to be elected at the Meeting through a nominating system from persons of legal capacity to serve a term of three years. Shareholders shall nominate candidates for election as directors from the list of candidates. Directors are eligible for re-election. The number of Independent Directors within the number of Directors in the preceding article shall be two at least, and shall not be less than one-fifth of the total number of Directors. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the competent authorities. In addition, the Company shall purchase insurance to cover the liability of the directors in respect of the scope of business they are legally obligated to perform during their term of office.

The Company shall establish various functional committees under the Board of Directors, and each functional committee shall establish rules and regulations for the exercise of its powers and functions, which shall be implemented upon approval by the Board of Directors.

Article 16 The Company shall establish an Audit Committee in accordance with the relevant provisions of the Securities and Exchange Act. The number of members, term of office, power and rules of procedure of the Audit Committee shall be determined in accordance with the relevant provisions of the "Regulations Governing the Exercise of Powers and Functions of the Audit Committee of Public Companies" and shall be governed by the Rules and Regulations Governing the Organization of the Audit Committee.

Article 17 The Company's directors shall be elected through cumulative voting. Each share has the voting rights equal to the number of directors to be elected. The votes may be cast to one candidate or among several candidates. The candidates who receives the most votes shall be elected as the director. Any amendment of this voting system shall be handled in accordance with Article 172 of the Company Act and shall be specified, with explanation of the material contents, in the notice of the meeting.

Article 18 The Board is composed of Directors. The Directors shall elect a Chairman from among themselves in the Board meeting with the consent of the majority of attending Directors, which represents more than two-thirds of all Directors. The Chairman shall have the authority to represent the Company.

Article 19 In the case where the Chairman is on leave or cannot exercise his or her authority with due cause, a proxy shall be appointed in accordance with Article 208 of the Company Act.

If a Director is unable to attend the Board meeting for some reason, he/she shall authorize another Director to stand proxy with a power of attorney indicating the scope of authority with reference to the subjects to be discussed at the meeting. No Director may act as a proxy for more than one other Director.

For Board meetings conducted through video-conferencing, a Director who participates through video conferencing is deemed to attend in person.

Article 20 All of the directors shall be paid by the Company regardless of operating gains or losses. The Board is delegated to determine the remuneration to Directors based on their involvement in the Company's business operation and their contributions to the Company with reference to the remuneration standard of the industry.

## **Section V Managers**

Article 21 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

## **Section VI Accounting**

Article 22 The Company's Board of Directors shall prepare the following after the end of each fiscal year and forward them to the annual meeting of shareholders for approval:

1. Business report
2. Financial statements
3. Profit distribution or deficit compensation proposal

Article 23 If the Company generates a profit for the year, no more than 1.5% of the profit shall be allocated as remuneration for directors, and no less than 1% shall be allocated as employee compensation, of which at least 0.1% of the profit shall be specifically allocated to compensation for junior-level employees. However, if the Company has accumulated losses, the amount required to cover such losses shall be retained in advance.

Employee compensation may be distributed in the form of stock or cash, and recipients may include

employees of subsidiary companies who meet certain criteria, as authorized and determined by the Board of Directors. Directors' remuneration shall be distributed in cash.

Article 24 If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.
2. Offset accumulated losses, if any.
3. Legal reserve, which is set aside 10% of remaining net profits after deducting the aforementioned items. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Set aside or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and retained earnings from previous years shall be prepared by the Board for distribution of earnings. If the distribution is made in the form of new shares, it shall be submitted to the Shareholders' Meeting for a resolution, and if the distribution is made in the form of cash, the Board of Directors shall be authorized to resolve on the distribution in accordance with Article 240, Paragraph 5 of the Company Act and report to the shareholders' meeting.

In accordance with Article 241 of the Company Act, the Company may issue all or part of the legal reserve and capital reserve to new shares or cash in proportion to the shareholders' common shares, and in the case of a cash payment, the Board is authorized to resolve the matter and report it to the shareholders' meeting.

The Company's dividend policy considers the Company's sustainable operation, stable growth, protection of shareholders' rights and interests, and healthy financial structure, and the Board prepares earnings distribution plans based on future funding needs and long-term financial planning. Total dividends to shareholders shall not be less than 2% of the retained earnings and may be paid in cash or in stock, with cash dividends not less than 10% of the total dividends.

## **Section VII Additional Provisions**

Article 25 Matters not set forth in the Articles of Incorporation shall be subject to the Company Act and other laws and regulations.

Article 26 The Articles of Incorporation was established on October 5, 2011.  
The first amendment was made on January 13, 2012.  
The second amendment was made on March 13, 2012.  
The third amendment was made on April 17, 2012.  
The fourth amendment was made on March 25, 2013.



The fifth amendment was made on June 25, 2014.

The sixth amendment was made on June 28, 2016.

The seventh amendment was made on May 9, 2017.

The eighth amendment was made on May 24, 2018.

The ninth amendment was made on November 13, 2018

The tenth amendment was made on August 5, 2021

The eleventh amendment was made on May 26, 2022

The twelfth amendment was made on May 27, 2025