

# **Nishoku Technology Inc.**

## **Articles of Incorporation**

### **Chapter 1 General Principles**

- Article 1 : The company is named Nishoku Technology Inc. in accordance with organization stipulations of Company Act.
- Article 2 : The operating businesses are listed as follows :
1. CQ01010 Die Manufacturing
  2. F106030 Wholesale of Die
  3. F206030 Retail Sale of Die
  4. C805990 Other Plastic Products Manufacturing
  5. F401010 International Trade
  6. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 : For purposes of business requirement or investing relationship, the company may conduct external guarantee for the same business, endorsement and guarantee on loan from financial institution, and affairs of mutual funding accommodation.
- Article 2-2 : The total corporate re-investment amount in other companies is not subject to Article 13 of Articles of Incorporation and may exceed 40% of company's paid-in capital with consent from the Board.
- Article 3 : The company's headquarter is located in New Taipei City. When necessary the Board may resolve to set up branch offices domestically and abroad.
- Article 4 : The announcement methods shall proceed in accordance with Article 28 of Company Act except for other protocols by securities authorities.

### **Chapter 2 Stock Shares**

- Article 5 : The capital sum of the company is NT\$1,500,000,000 to be divided for 150,000,000 shares of NT\$10 per share to be issued by several times. The preceding capital sum has reserved NT\$20,000,000 to be divided for 2,000,000 shares for stock option, special stock for stock option, or for the use of company with stock option to exercise power of stock option. In accordance with Company Act and other related laws and rules, the Board is authorized to

issue the shares for several times.

Article 6 : Deleted.

Article 7 : The stock shares of the company are registered shares with more than 3 directors' signatures or stamps to be issued after notarization by law.

The issued stock shares by the company may not be necessary to print out hard copies. However, the centralized securities depository enterprise shall be contacted for shares registration or preservation. The way of stock share issuing shall proceed in accordance with Company Act and relevant laws and rules.

Article 8 : The rename for transfer of shares shall be suspended by 30 days before regular shareholders meeting, or 15 days before temporary shareholders meeting, or 5 days before the company decides to distribute cash dividends or other interest.

The rename for transfer of shares shall be suspended by 60 days before regular shareholders meeting, or 30 days before temporary shareholders meeting, or 5 days before the company decides to distribute stock dividends or other interest.

Article 8-1 : The stock affairs shall proceed in accordance with stipulation of " Regulations Governing the Administration of Shareholder Services of Public Companies " issued by the securities authorities.

Article 8-2 : The registration of shares transfer shall proceed in accordance with Article 165 of Company Act.

### **Chapter 3 Shareholders Meeting**

Article 9 : There are regular and temporary shareholders meetings. By law, the regular one shall be convened by the Board at least once every year within 6 months by end of every accounting year. The temporary one shall be convened by law if necessary.

The convening of regular shareholders meeting shall be conducted by 30 days before the meeting, and temporary shareholders meeting shall be convened by 15 days before the meeting. By law, every shareholder shall be informed of meeting date, location, and matters for meeting in written or electronic means. For shareholders with less than 1000 shares, announcement without notification is eligible.

During shareholders meeting, the President is acting as chairperson. In case the President is taking leave or fails to perform his duty for certain reasons, one of

the directors may be appointed as chairperson. In case the President has not appointed any director as the chairperson, the directors shall elect one director as the chairperson of meeting. For meeting convened by other conveners, the chairperson shall be the convener. For more than two conveners, the chairperson shall be elected from one of them.

Article 10 : In case shareholder may not attend shareholders meeting for certain reasons, a form of proxy printed by the company with expressly statement of authorization scope, signature, or stamp can be presented for proxy to attend the meeting. The measure for proxy shareholder to attend the meeting shall proceed in accordance with Article 177 of Company Act and " Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies " issued by the authorities.

Article 11 : The issued shares by the company have 1 voting power for each share except for the shares without voting power regulated by Paragraph 2 on Article 179 of Company Act.

Article 12 : Except for other stipulations of Company Act, the resolutions of shareholders meeting shall be approved for execution with favorable votes by more than half of participating shareholders representing total issued shares of the company in shareholders meeting.

#### **Chapter 4 Directors And Supervisors**

Article 13 : The company shall entitle 7 to 9 directors and 3 supervisors with 3-year term of office to be elected in shareholders meeting by voting for competent candidates. The former elected can be re-elected for service.

In accordance with Article 192-1 of Company Act, the elections for directors and supervisors of the company shall be done by nomination system with candidates. Shareholders shall elect among a list of candidates of directors and supervisors.

For directors, there are 2~3 independent directors. Regarding independent directors' qualification, shareholding and other business limit, nomination, mean of election, and other matters to be comply with shall be executed by relevant laws and stipulations.

For business operating requirements, the company's Board may set up salary reward commission or other commission with similar functions.

Article 14 : The Board is organized by the President. The President is elected by more than half of participating directors of more than 2/3 of all directors. The President represents the company outwards.

The Board shall be convened by the President as the chairperson. However, for the first Board of every session, the director who has the most favorable votes shall convene the Board. The chairperson of the Board shall be the convener. For more than two conveners, one of them shall be elected as chairperson. Every director and supervisor shall be informed of the convening of the Board by 7 days before the meeting with notification expressly stating meeting date/time, location, and agenda. For emergency, the Board can be convened at any time. The notification of convening the Board can be conducted in written, e-mail, or fax.

Article 15 : In case the President is taking leave or cannot perform his duty for certain reasons his deputy shall proceed in accordance with Article 208 of Company Act.

Article 15-1 : For lack of directors achieves 1/3 regulated by Articles of Incorporation, or the entire relief of all supervisors, the company shall re-elect directors and supervisors by convening temporary shareholders meeting within 60 days of occurrence. The tenure of succeeding directors and supervisors is to complement the original service period.

Article 15-2 : Any director may use form of proxy expressly stating scope of authorization for other director to attend the Board, and may exercise voting power as a proxy director for all matters discussed in the Board. Every director can only be a proxy for another director. In case the Board has video conference, the participating directors shall be regarded as attending the meeting in person.

Article 15-3 : The supervisors not only perform their duty in accordance with Company Act but also attend the Board to make statement. However, any supervisor is not allowed to vote for resolution.

Article 16 : The Board is authorized to determine the rewards for President, directors, and supervisors in consideration of respective involving levels of corporate operation and contributed values with reference of other companies domestically and abroad.

The company may purchase liability insurance for directors and supervisors.

## **Chapter 5 Manager**

Article 17 : The company shall have manager whose appointment, removal, and reward shall proceed in accordance with Article 29 of Company Act.

## **Chapter 6 Accounting**

Article 18 : The Board of the company shall make the following reports by the end of accounting year before submission to supervisors for audit by 30 days before regular shareholders meeting. The supervisors shall prepare reports to be submitted to the shareholders meeting for ratification :

(1) Business Report

(2) Financial Statements

(3) Distribution of Profits or Motion of Loss Appropriation.

Article 19 : Deleted.

Article 20 : In case the company has yearly profit, at least 1% shall be appropriated as staff reward and less than 5% as rewards for directors and supervisors. In case the company has accumulative losses (including adjusted unappropriated earnings), reserve shall be made as compensation.

The preceding staff reward shall be paid by stock shares or cash dividends. The objects of payment shall consist of employees of affiliated company. The preceding rewards for directors and supervisors shall only be paid by cash dividends.

The preceding 2 items shall be resolved by the Board before execution. And the shareholders meeting shall be reported.

In case the company has after-tax net income after annual final settlement, the accumulative losses shall be compensated (including adjusted unappropriated retained earnings) by appropriating 10% as legal reserve. When the accumulative legal reserve achieves paid-in capital of the company is not subject to this limitation. Then by law or stipulations of the authorities, special reserve shall be appropriated or reversed. In case there is surplus, the Board shall propose a motion of profit distribution along with beginning retained earnings (including adjusted unappropriated retained earnings) for shareholders meeting to resolve for stock or cash dividends.

The policy of cash dividends of the company is formed to match present and

future development plan. In consideration of investing environment, demand of fund, competition at home and abroad, and interest of shareholders, every year at least 10% of distributable surplus for stock or cash dividends shall be appropriated as rewards for shareholders. However, when the annual distributable earnings have been all appropriated for stock and cash dividends for shareholders at less than NT\$0.5 per share, the distributable surplus may be fully retained without any distribution. The distribution of surplus can be cash or stock dividends. Among the dividends, cash shall be at least 30% of total.

### **Article 7 Supplementary Provisions**

- Article 21 : Any unspecified matters by this article shall proceed in accordance with Company Act.
- Article 21-1 : Any decision by the company to revoke public issue of stock shares shall be resolved by shareholders meeting, and this article shall not be changed during emerging stock and public company periods.
- Article 22 : This article was made on May 20, 1980.  
1<sup>st</sup> revision was made on Nov. 10, 1983.  
2<sup>nd</sup> revision was made on Jun. 15, 1984.  
3<sup>rd</sup> revision was made on Aug. 12, 1987.  
4<sup>th</sup> revision was made on Jun. 9, 1988.  
5<sup>th</sup> revision was made on Mar. 14, 2000.  
6<sup>th</sup> revision was made on Nov. 18, 2002.  
7<sup>th</sup> revision was made on Jun. 30, 2007.  
8<sup>th</sup> revision was made on Jan. 18, 2008.  
9<sup>th</sup> revision was made on Mar. 19, 2008.  
10<sup>th</sup> revision was made on Dec. 26, 2008.  
11<sup>th</sup> revision was made on Jun. 30, 2010.  
12<sup>th</sup> revision was made on Jun. 24, 2011.  
13<sup>th</sup> revision was made on Jun. 15, 2012.  
14<sup>th</sup> revision was made on Jun. 15, 2012.  
15<sup>th</sup> revision was made on Jun. 14, 2013.  
16<sup>th</sup> revision was made on Jun. 7, 2016.  
17<sup>th</sup> revision was made on Jun. 14, 2017.