

Chicony Power Technology Co., Ltd., Articles of Incorporation

Chapter I General Provisions

- Article 1. The Company is duly incorporated in accordance with the Company Act and the name is 群光電能科技股份有限公司 in Chinese and “Chicony Power Technology Co., Ltd.” in English.
- Article 2. The registered business of the Company is:
1. CB01010 Machinery Facilities Manufacturing.
 2. CB01990 Other Machinery Manufacturing.
 3. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing.
 4. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing.
 5. CC01040 Lighting Facilities Manufacturing.
 6. CC01080 Electronic Parts and Components Manufacturing.
 7. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing.
 8. CC01990 Electrical Machinery, Supplies Manufacturing.
 9. CD01010 Ship and Parts Manufacturing.
 10. CD01020 Tramway Cars Manufacturing.
 11. CD01030 Automobiles and Parts Manufacturing.
 12. CD01040 Motor Vehicles and Parts Manufacturing.
 13. CD01060 Aircraft and Parts Manufacturing.
 14. CD01990 Other Transport Equipment and Parts Manufacturing.
 15. CE01010 Precision Instruments Manufacturing.
 16. CE01990 Other Photographic and Optical Instruments Manufacturing.
 17. E599010 Pipe Lines Construction.
 18. E601010 Electric Appliance Construction.
 19. E601020 Electric Appliance Installation.
 20. E602011 Frozen and Air-conditioning Engineering.
 21. E603010 Cables Construction.
 22. E603050 Cybernation Equipment Construction.
 23. E603090 Illumination Equipment Construction.
 24. E604010 Machinery Installation Construction.
 25. E605010 Computing Equipment Installation Construction.
 26. E606010 Electricity Equipment Checking and Maintenance.
 27. E701010 Telecommunications Construction.
 28. E701030 Restrained Telecom Radio Frequency Equipment and Materials Construction.
 29. E701040 Basic Telecommunications Equipment Construction.
 30. EZ05010 Apparatus Installation Construction.
 31. F113010 Wholesale of Machinery.
 32. F113020 Wholesale of Household Appliance.
 33. F113050 Wholesale of Computing and Business Machinery Equipment.
 34. F113990 Wholesale of Other Machinery and Equipment.
 35. F114030 Wholesale of Motor Vehicle Parts and Supplies.
 36. F114060 Wholesale of Ship Machinery and Parts.
 37. F114070 Wholesale of Aircraft and Parts.
 38. F114080 Wholesale of Tramway Cars and Parts.
 39. F114990 Wholesale of Other Transport Equipment and Parts.
 40. F118010 Wholesale of Computer Software.
 41. F119010 Wholesale of Electronic Materials.
 42. F213010 Retail Sale of Household Appliance.
 43. F213030 Retail sale of Computing and Business Machinery Equipment.
 44. F213080 Retail Sale of Machinery and Equipment.
 45. F213990 Retail Sale of Other Machinery and Equipment.
 46. F214030 Retail Sale of Other Machinery and Equipment.
 47. F214060 Retail Sale of Ship Machinery and Parts.
 48. F214070 Retail Sale of Aircraft and Parts.
 49. F214080 Retail Sale of Tramway Cars and Parts.
 50. F214990 Retail Sale of Other Transport Equipment and Parts.
 51. F218010 Retail Sale of Computer Software.
 52. F219010 Retail Sale of Electronic Materials.
 53. F401010 International Trade.
 54. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
 55. I103060 Management Consulting Services.
 56. I301010 Software Design Services.
 57. I301020 Data Processing Services.
 58. I301030 Digital Information Supply Services.
 59. I501010 Product Designing.
 60. IG03010 Energy Technical Services.

61. JA02010 Electric Appliance and Audiovisual Electric Products Repair Shops.
62. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company may undertake endorsement and guaranty in accordance with its Rules Governing Endorsement and Guarantee.
- Article 4. The Company is headquartered in New Taipei City, and may establish branches (subsidiaries) at home and overseas.
- Chapter II Shares of Stock
- Article 5. The Company stated its capital at NT\$5 billion equally split into 500 million shares at NT\$10 per share. The Board is authorized to issue the shares in tranches.
The amount of NT\$270 million of the aforementioned capital shall be retained for the issuance of employee stock options (ESO) totaled 27 million shares at NT\$10 per share and shall be issued per the resolution of the board.
- Article 5-1. The approval of the shareholders in a General Meeting with the attendance of shareholders representing more than half of the outstanding shares and a two-thirds majority of the shareholders present in the meeting shall be necessary for the issuance of ESO at a price lower than the market price of the stock on the issuing day or lower than the net value per share, or, from the purchase of treasury stock at a price lower than the actual average price for repurchase for assignment of the shares to the employees.
- Article 5-2. The target payees while the Company transfers treasury stocks to employees, issues new shares, share subscription warrant to be subscribed to by employees or issues of new shares with restrictive rights upon employees may include the employees satisfactory to the specified qualification requirements in the subordinate companies and companies under control.
- Article 6. The Company issues registered shares with the printing of hard copy of stock certificates signed or stamped by at least 3 directors thereunto and subject to due process of law in certification. The Company may also be exempted from the printing of the hard copy stock certificates but has to register with the central depository of securities. The same procedure is applicable to the issuance of other securities.
- Article 7. Change in the inscription of the shareholders' registration book is not permitted within 60 days prior to the scheduled date of the General Meeting of shareholders for regular session, and within 30 days prior to the scheduled date of special session, or within 5 days prior to the dividend day or the day of other rights and benefit.
- Article 8. The Company manages its share registration and transfer in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Chapter III General Meeting of shareholders
- Article 9. The General Meeting of the shareholders shall convene 2 different sessions. The regular session will be convened once a year within 6 months after the end of the fiscal year. The board shall call for the regular session of General Meetings under the law. Special session will be convened at any time as needed. Notice to shareholders for the regular session of the General Meeting shall be given 30 days in advance. Notice to shareholders for special session shall be given 15 days in advance. Notice to shareholders holding less than 1,000 shares will be given by announcement. Notice of convening the General Meeting of shareholders may be given through electronic means with the consent of the respondents.
- Article 10. For General Meetings called by the board, the chairman shall preside over the meeting. In the absence of the chairman, or, the chairman is unable to perform its duties for specific reasons, the vice chairman shall act on behalf of the chairman. If there is no vice chairman, or in the absence of the vice chairman, or if the vice chairman is unable to perform its duties, one director will be appointed by the chairman to preside over the meeting. If no such appointment has been made, one director shall be nominated among all directors to preside over the meeting. For General Meetings convened at the call another party with entitlement, such party shall preside over the meeting. If there are more than 2 parties concerned, one will be nominated to preside over the meeting.
- Article 11. If specific shareholder is unable to attend the General Meeting, such shareholder may appoint a proxy to attend the meeting by using the written power of attorney prepared by The Company, sign or affix seal to specify the scope of authorization. In appointing a proxy to attend General Meeting, respective shareholders shall duly comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 12. Each shareholder of the Company is entitled to one vote. Except under law where the holding of shares in whole or in part does not entitle the shareholders to vote (including but not limited to Paragraph 2, Article 179 and Paragraph 2, Article 197-1 of the Company Act).
- Article 13. Unless otherwise specified by law, the resolution of the General Meeting of shareholders shall be made by a simple majority of the shareholders representing more than half of the voting rights present in the meeting in person or by proxies where the attendance of shareholders representing more than half of the outstanding shares to the meeting is required for a quorum.
Resolution of the General Meeting shall be kept on record and subject to Article 183 of the Company Act.

- Article 13-1 Vote of the shareholders in the General Meeting shall be cast in writing or through electronic means. Where the Company may elect to revoke its public offering of stocks after going public, the resolution of the General Meeting of shareholders shall further be necessary to the consent of the Board. This provision shall remain intact for the duration that the Company is listed in the Emerging Stock Market or TWSE (GTSM).
- Chapter IV Directors and Audit Committee
- Article 14. The Company shall establish 5 to 7 seats of directors and the nomination system shall be adopted according to Article 192-1 of the Company Act, the shareholders shall elect the candidates on the list. The term of office is 3 years and can be renewed if elected. Of all the aforementioned number of seats of directors, at least 2 shall be reserved for independent directors and the seats of independent directors shall account for at least one-fifth of the total number of seats. The professional standing, proportion of shareholding, restrictions on holding other positions, method of nomination and election, and other applicable rules shall comply with the requirements of the competent authority of securities. The weighted voting system is used in the election of directors. Each share is entitled to the number of votes equivalent to the number of directors to be elected. Shareholders may concentrate their votes to one candidate or allocate them to different candidates. Persons who get the majority of the votes shall be elected as directors.
- Article 15. The directors shall form the board of directors (hereinafter referred to as “the board”). The chairman and the vice chairman shall be elected among the directors in a board session attended by more than two-thirds of the directors with the approval of more than half of the directors attending the meeting. The chairman shall act on behalf of and in the name of the Company externally.
- Article 16. The function of the board is shown below:
1. Determination of the corporate goal and business strategy.
 2. Approval of the internal regulations, systems and guidelines.
 3. Proposal of the plan for the distribution of earnings.
 4. Proposal of the plan for increase or decrease of capital.
 5. Approval of the establishment or withdrawal of branches.
 6. Approval of the appointment and dismissal of managers.
 7. Approval of investment.
 8. Approval of the limit for borrowing.
 9. Approval of the limit for endorsement and guaranty.
 10. Approval of the acquisition or disposition of vital assets.
 11. Calling for General Meeting of shareholders and execution of resolution of the General Meeting.
 12. Proposal of motion for the institution of or amendment to the Articles of Incorporation.
 13. Approval of the dividends day and ex-rights day.
 14. Duties and responsibilities performed in accordance with the Company Act or authorized by the General Meeting of the shareholders.
 15. Approval of other important motions.
- Article 17. In the absence of the chairman or if the chairman is unable to perform his/her duties, the vice chairman shall act on his/her behalf and in the name of the chairman at the meeting. In the absence of the vice chairman or if the vice chairman is unable to perform its duties, the chairman shall appoint one director to preside over the meeting. If no such appointment is made, one director shall be nominated among all other directors to preside over the meeting. If a specific director is unable to attend the meeting of the board, he or she may appoint another director as proxy in compliance with Article 205 of the Company Act. Where the board session is held through a videoconference, the participation of directors in the videoconference shall be deemed as attending the meeting in person.
- Article 18. The Board shall convene at least once quarterly. The cause of the meeting and the particulars shall be inscribed in the meeting notice and delivered to each director at least 7 days in advance. A special session may be convened at any time as needed. The aforementioned meeting notice may be served in writing, fax, or e-mail, etc.
- Article 19. The Company shall establish the audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all the independent directors, and enforce the Company Act, Securities and Exchange Act and other laws and regulations that stipulates the authority of the supervisor.
- Article 20. The Company shall take liability insurance for the protection of the directors and key personnel at the resolution of the board.
- Article 21. The remuneration for all directors shall be commensurate with their participation in the operations and their contributions to the Company with reference to industry standards.
- Chapter V Managers
- Article 22. The Company shall employ a number of managers and their appointment, dismissal and remuneration shall be governed by Article 29 of the Company act.
- Chapter VI Accounting

- Article 23. The fiscal year of the Company is identical with the calendar year, which starts on January 1 and ends on December 31 of each year. The Board shall, at the end of each fiscal year, prepare relevant statements and ledgers specified below, and present before the General Meeting of shareholders for ratification based on the legal procedures.
1. Report on operations
 2. Financial statements
 3. Make-up proposals for distribution of earnings or covering loss
- Article 24. Current pre-tax benefits before deducting employee remuneration and directors remuneration of the Company in the year, a minimum sum 10% shall be appropriated as remuneration to the employees and appropriate 1% maximum as remuneration to directors. Where the Company continues outstanding losses in accumulation (including adjustment of unappropriated retained earnings), the sum to make good the loss shall be first withheld before the sum to be allocated as remuneration to employees and to the directors at the aforementioned ratios.
- Aforementioned employee remuneration can be allocated in either stocks or cash, which including the employees under the control or subsidiary firms of the Company who consistent with the certain conditions; aforementioned directors' remuneration can only be allocated in cash.
- The facts of allocation of remuneration to employees and to the directors shall adopt by a resolution of the board of directors and shall be reported to the shareholders' meeting.
- Article 24-1 The current tax after-tax profit made by the Company as shown through the annual total account settlement, if any, the previous loss shall be first withheld (including adjustment of unappropriated retained earnings), and 10% shall be withheld as legal reserve according to law, however, the legal reserve shall no longer be appropriated if the legal reserve in accumulation is up to the Company's paid-in capital. The balance shall be taken to appropriate or to restore the special reserve according to law or competent authority. The balance, if any, along with the unappropriated retained earnings at the beginning of the year (including adjustment of unappropriated retained earnings), shall be duly allocated as dividends, bonus to shareholders at the ratios proposed by the board of directors in accordance with Article 25 of the Articles of Incorporation, duly submitted to and resolved by the shareholders' meeting.
- With the participation of directors representing two-thirds of the aggregate total of director seats and the consent by one-half majority of the participating directors, the Company may allocate dividends, bonus, legal reserve or capital reserve either in whole or in part in cash. Such issues shall be reported to the shareholders' meeting to which the provisions to resolve a decision in the shareholders' meeting as mentioned in the preceding Paragraph shall not apply.
- Article 25. The Company is still at the development stage of the electronic industry, and shall consider the capital needs for new products and the addition of items for return on investment of the shareholders in the determination of its dividend policy. Accordingly, the distribution of stock dividends to shareholders shall not exceed 90% of the total income attributable to shareholders and cash dividends shall not fall below 10% of the stock dividends to shareholders for each fiscal year.
- If the total income attributable to shareholders falls below NT\$0.5 per share, the aforementioned restrictions shall not be applicable.
- Article 26. The total direct investment of the Company shall not be governed by the limits set forth in Article 13 of the Company Act at 40% of the paid-in capital.
- Chapter VII Miscellaneous
- Article 27. The Company Act and other applicable laws shall govern anything not regulated by the Articles of Incorporation.
- Article 28. The Articles of Incorporation were instituted only by the founder at the founders' meeting on December 5, 2008.
- The 1st amendment on December 31, 2008.
- The 2nd amendment on June 22, 2010.
- The 3rd amendment on June 16, 2011.
- The 4th amendment on June 14, 2012.
- The 5th amendment on January 22, 2013.
- The 6th amendment on June 18, 2013.
- The 7th amendment on June 15, 2015.
- The 8th amendment on June 15, 2016.
- The 9th amendment on June 7, 2018.
- The 10th amendment on June 6, 2019.