

**TWELFTH AMENDED AND RESTATED  
ARTICLES OF ASSOCIATION  
OF  
GCS HOLDINGS, INC.**

(Adopted by a Special Resolution passed on May 20, 2022)

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**Table A**

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

**INTERPRETATION**

**1. Definitions**

**1.1** In these Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Acquisition	an acquisition as defined in the ROC Business Mergers and Acquisitions Act whereby a company acquires shares, business or assets of another company pursuant to the Applicable Law with the consideration being the company's shares, cash or other assets;
Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Act, the Securities and Exchange Act, the Business Mergers and Acquisitions Act, the rules and regulations promulgated by the FSC and the rules and regulations promulgated by the TPEX, as amended from time to time) affecting public companies or companies traded or listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;

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Approved Stock Exchange	a stock exchange listed in the Fourth Schedule to the Law;
Articles	these Articles of Association as altered from time to time;
Audit Committee	the audit committee under the Board, which shall comprise solely of Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
Capital Reserve	for the purpose of these Articles only, is equivalent to the share premium account of the Company under the Law and income from endowments received by the Company;
Chairman	the Director elected amongst all the Directors as the chairman of Board;
Company	the company for which these Articles are approved and confirmed;
Controlling or Subordinate Relation	a situation that a company (i) holds a majority of the total number of the outstanding voting shares or the total amount of the capital stock of another company, or (ii) has a direct or indirect control over the personnel, financial or business operation of another company. If (i) a majority of executive shareholders or directors in a company are contemporarily acting as executive shareholders or directors in another company; or (ii) a majority of the total number of outstanding voting shares or the total amount of the capital stock of a company and another company are held by the same shareholders, it shall also be concluded as the existence of the controlling and subordinate relation. Further, in the situation that

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	two companies invest in each other for one-third or more of the outstanding voting shares or the total amount of the capital stock, and each is holding one half or more of the total number of the voting shares or of the total amount of the equity capital of the other, or having a direct or indirect control over its personnel, financial or business operation of the other, the companies shall be deemed to have a controlling and subordinate relation against the other;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 34.2;
Director	a director for the time being of the Company and shall, unless otherwise specifically stated, include any Independent Director(s);
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree shall include the parents, siblings, grandparents, children and grandchildren of the person as well as spouse's parents, siblings and grandparents;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" for the purpose of Applicable Public Company Rules;
Law	the Companies Act of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Market Observation Post	means the public company reporting system maintained by the Taiwan Stock Exchange

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System	Corporation, via <a href="http://mops.twse.com.tw/">http://mops.twse.com.tw/</a> ;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company as may be amended from time to time;
Merger	<p>a transaction whereby:</p> <p>(a) (i) all of the companies participating in such transaction are combined into a new company, which new company generally assumes all rights and obligations of the combined companies; or (ii) all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the shares of the surviving or new company or any other company, cash or other assets; or</p> <p>(b) other forms of mergers and acquisitions which fall within the definition of “merger and/or consolidation” under the Law and Applicable Public Company Rules;</p>
month	calendar month;
notice	written notice as further provided in these Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;

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Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a simple majority of the votes cast of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy;
paid-up	paid-up or credited as paid-up;
Preferred Shares	has the meaning given thereto in Article 3;
Private Placement	means, after the shares are listed on the TPEX , obtaining subscription for, or the sale of, shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors in the ROC as prescribed under the Applicable Public Company Rules and permitted by the competent securities authority in the ROC, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of Shares under Articles 2.5, 2.8 and 2.10 hereof;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of Members referred to in these Articles;
Registered Office	the registered office for the time being of the Company;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal

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	of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value TWD\$10 each as at the date of these Articles in the capital of the Company and includes a fraction of a share;
Share Swap	a 100% share swap as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the “ <b>Acquiring Company</b> ”) acquires all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Special Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a majority of not less than two thirds of the vote cast by such Member as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the quorum is present, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or a newly incorporated company (the “ <b>Acquirer</b> ”) with the consideration being the shares of the Acquirer,



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	cash or other assets;
Subsidiary	with respect to any company, (1) the entity, one half or more of whose total number of the outstanding voting shares or the total amount of the capital stock are directly or indirectly held by such company or (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation;
Supermajority Resolution	a resolution passed by a majority vote of the Members at a general meeting attended by Members who represent two-thirds or more of the total outstanding shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding shares, but more than one half of the total outstanding shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
TDCC	the Taiwan Depository & Clearing Corporation;
TPEX	Taipei Exchange of the ROC;
Treasury Shares	shares that were previously issued but were purchased, redeemed, otherwise acquired by or surrendered to the Company which are held by the Company and not cancelled;
TWD	New Taiwan Dollars, the official unit of currency of the ROC;
TWSE	Taiwan Stock Exchange Corporation of the ROC; and
year	calendar year.

**1.2** In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;

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- (b) words denoting the masculine gender include the feminine and neuter genders;
  - (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
  - (d) the words:-
    - (i) “may” shall be construed as permissive; and
    - (ii) “shall” shall be construed as imperative;
  - (e) “written” and “in writing” include all modes of representing or reproducing words in visible form, including the form of facsimile, printing, lithography and electronic mail;
  - (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
  - (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles; and
  - (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in these Articles.
- 1.3** Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

## **SHARES**

### **2. Power to Issue Shares**

- 2.1** Subject to the Applicable Law, these Articles and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law.
- 2.2** Unless otherwise provided in these Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the

Company.

- 2.3** Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for public offering in the ROC, unless it is deemed as either unnecessary or inappropriate by the FSC or TPEX for the Company to conduct the aforementioned public offering. Notwithstanding the foregoing, the Company may proceed with a higher percentage than the aforementioned 10% in the ROC if approved by the Company in a general meeting. The Company may also reserve 10% to 15% of such newly issued shares for subscription by the employees of the Company and its Subsidiaries.
- 2.4** Unless otherwise resolved by the Members at a general meeting by Ordinary Resolution or subject to the provisions of Applicable Law, where the Company increases its issued share capital by issuing new shares for cash consideration, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares (after allocation of the public offering portion and the employee subscription portion in Article 2.3) issued in the capital increase for cash consideration. If the payment period prescribed by the Company in such announcement and notices to the Members is (i) in excess of one (1) month: the pre-emptive right to subscribe for such newly-issued shares of any Member who fails to make the payment within the prescribed period shall be forfeited; or (ii) less than one (1) month: the Company shall declare a reminder period in excess of one (1) month pursuant to the provisions of Applicable Law to any Member who fails to make the payment within the prescribed period, and the above pre-emptive right shall be deemed forfeited if such Member still fails to make payment. In the event that the number of shares held by a Member is insufficient for such Member to exercise the pre-emptive right to subscribe for one newly-issued share, shares held by several Members may be calculated together for joint subscription of newly-issued shares or for subscription of newly-issued shares in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons according to the Applicable Public Company Rules.
- 2.5** Subject to the provisions of the Applicable Law, the Company shall issue new shares with restricted rights (“**Restricted Shares**”) to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long

as the Shares are listed on the TPEX, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.

- 2.6** The pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger with another company, Spin-off, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;
  - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
  - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
  - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares; or
  - (f) in connection with Private Placement.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Subject to Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe, within a specific period of time, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- 2.11** The Company shall not issue shares to bearer.

### **3. Preferred Shares**

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- 3.1** Notwithstanding any provisions of these Articles, the Company may by Special Resolution create shares of any class with preferred or other rights (“**Preferred Shares**”), the rights and obligations of which shall be set forth in these Articles.
- 3.2** The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
- (a) order, fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
  - (b) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (c) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;
  - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
  - (e) other matters concerning rights and obligations incidental to Preferred Shares.

#### **4. Redemption and Purchase of Shares**

- 4.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 4.2** The Company is hereby authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law.
- 4.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 4.4** Every share certificate representing a redeemable share shall indicate that the share is redeemable.
- 4.5** Subject to the Applicable Law and these Articles, the Board shall, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, on behalf of the Company purchase any share in the Company (including a redeemable share) on such terms and in such manner as the Board may determine and hold them as Treasury Shares in accordance with the Applicable Law PROVIDED THAT any purchase of the Company’s own shares involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an Ordinary Resolution and the number of shares of the Company to be cancelled shall be allocated among all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Directors) based on the

then prevailing percentage of shareholding of the Members, unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an Ordinary Resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant before being submitted by the Board to the Members for approval as part of the Ordinary Resolution authorising the repurchase and cancellation of shares of the Company; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind.

- 4.6** In the event that the Company proposes to purchase any share listed on the TPEX pursuant to the preceding Article and hold them as Treasury Shares, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TPEX for any reason.
- 4.7** Subject to Article 4.5 and the Applicable Public Company Rules, the redemption or repurchase price shall be paid in any manner permissible under the Law as determined by the Directors.
- 4.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty (30) days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty (30) day deposits in the same currency.
- 4.9** The Board may exercise as it thinks fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 4.10** Subject as aforesaid and to Article 4.5, the Board may determine, as it thinks fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 4.11** No share may be redeemed unless it is fully paid-up.
- 4.12** The Company may accept the surrender for no consideration of any fully paid share (including a redeemable share) unless, as a result of the surrender, there would no longer be any issued shares of the Company other than shares held as Treasury Shares.

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- 4.13** The Company is authorised to hold Treasury Shares in accordance with the Applicable Law.
- 4.14** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 4.15** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
  - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law.
- 4.16** The Board may designate as Treasury Shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Applicable Law.
- 4.17** Shares held by the Company as Treasury Shares shall continue to be classified as Treasury Shares until such shares are either cancelled or transferred in accordance with the Applicable Law.
- 4.18** After the Company purchases its shares listed on the TPEX, a proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price paid by the Company shall be approved by Special Resolution and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at the general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued and outstanding shares, and each employee may not subscribe for more than 0.5% of the total issued and outstanding shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two (2) years.
- 4.19** Subject to Article 4.18, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board in accordance with the Applicable Law.

## **5. Rights Attaching to Shares**

- 5.1** Subject to Article 2.1, the Memorandum and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Articles:
- (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as approved by the Members at general meeting may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 5.2** To the extent permitted under the laws of the Cayman Islands, Members continuously holding 1% or more of the total issued Shares of the Company for six (6) months or longer may:
- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
  - (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or

the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition.

## **6. Share Certificates**

- 6.1** The Company shall issue shares without printing share certificates for the shares issued unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. So long as the shares are listed on the TPEX, notwithstanding anything contained in these Articles and subject always to the law of the Cayman Islands, the details regarding such issue of shares shall be recorded



by the TDCC in accordance with the Applicable Public Company Rules, and the Company shall recognize as a Member each person identified as a holder of a share in the records provided by the TDCC to the Company and such records shall constitute the Register of Members. In the event that the Company shall issue certificates for shares in accordance with the Applicable Public Company Rules, every Member shall be entitled to a certificate issued under the seal of the Company or a facsimile thereof, which shall be affixed or imprinted with the authority of the Board, or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

- 6.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 6.3** Share certificates may not be issued in bearer form.
- 6.4** In the event that the Company shall issue certificated shares, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such shares may be issued pursuant to the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.

## **7. Fractional Shares**

Subject to the Applicable Law, the Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

## **REGISTRATION OF SHARES**

### **8. Register of Members**

- 8.1** The Board shall cause to be kept in one or more books a Register of Members which may be kept in or outside the Cayman Islands at such place as the Board shall appoint and shall enter therein the following particulars:
- (a) the name and address of each Member, the number, and (where appropriate) the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;

- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a Member.

**8.2** The Board may cause to be kept in any country or territory one or more branch registers of such category or categories of Members as the Board may determine from time to time and any branch register shall be deemed to be part of the Company's Register of Members.

**8.3** Any Register of Members maintained by the Company in respect of listed shares, which are defined as the shares of the Company traded or listed on an Approved Stock Exchange, may be kept by recording the particulars set out in section 40 (as amended from time to time) of the Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the relevant Approved Stock Exchange provided that if a Register of Members in respect of listed shares is maintained, the Company must also maintain, in respect of any shares of the Company which are not listed shares, a separate Register of Members in accordance with section 40 (as amended from time to time) of the Law.

**8.4** The Board or other conveners of general meetings may require the Company or its stock affairs agent to provide with the Register of Members.

## **9. Registered Holder Absolute Owner**

**9.1** The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**9.2** No person shall be entitled to recognition by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a share, then, except as aforesaid:

- (a) such notice shall be deemed to be solely for the holder's convenience;
- (b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;
- (c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust,

the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and

- (d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register of Members or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

## **10. Transfer of Registered Shares**

- 10.1** Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.
- 10.2** Any transfer in respect of shares of the Company which are traded or listed on the TPEX may be evidenced and transferred in accordance with the Applicable Public Company Rules.

## **11. Transmission of Registered Shares**

- 11.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 11.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member  
GCS Holdings, Inc. (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the “Transferee”) registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assignees, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

Transferor

Witness

Transferee

Witness

- 11.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member.
- 11.4** Notwithstanding the above, for as long as the shares are listed on the TPEX, transmission of the shares may be evidenced and transferred in accordance with the Applicable Public Company Rules.

## ALTERATION OF SHARE CAPITAL

### 12. Power to Alter Capital and Others

- 12.1** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
- (a) increase its capital by such sum divided into shares of such amounts as the resolution shall prescribe or, if the Company has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) convert all or any of its paid-up shares into stock, and reconvert that stock into paid-up shares of any denomination;
- (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum of Association; or
- (e) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

**12.2** Subject to the Law and without prejudice to other provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may from time to time by Special Resolution:

- (a) change its name; or
- (b) alter these Articles;
- (c) alter the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; or
- (e) effect a Merger (unless such lower majority of votes is permitted under the Law or the Applicable Law).

**12.3** Subject to the Law and Article 12.4, the Company may from time to time by Supermajority Resolution:

- (a) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17 hereof;
- (b) effect any Merger (which shall also subject to the requirement under Article 12.2(e)), or Spin-off, Acquisition or Share Swap of the Company;
- (c) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation with others;
- (d) transfer of the whole or any material part of the business or assets of the Company; or
- (e) acquire the whole of the business or assets of a third-party, which will have material effect on the operations of the Company.

**12.3A** If the Company proposes to undertake the action listed in Articles 12.3(b) and 12.3(d) above or a Share Swap, which would result in the termination of the Company's listing on the TPEX, and where (in the case of any Merger in Article 12.3(b) above) the surviving entity, (in the case of any transfer in Article 12.3(d)

above) the transferee, (in the case of a Share Swap) the entity whose shares has been allotted or who pays cash or uses its assets as the consideration in exchange for the Company's all issued shares and, (in the case of any Spin-off in Article 12.3(b) above) the existing or newly incorporated spun-off company's shares are not listed on the TPEX or the TWSE, then in addition to any requirements to be satisfied under the Law, such action shall be also approved by a Supermajority Resolution.

**12.4** Subject to the Law, with regard to the dissolution procedure of the Company, the Company shall pass:

- (a) an Supermajority Resolution, in the event that the Company resolves that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) a Special Resolution, in the event that the Company resolves that it be wound up voluntarily for reasons other than set out in Article 12.4 (a) above.

**12.5** Subject to the Law, the Company shall, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules; provided that, for issuance of straight corporate bonds by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board in installments within one year from the date of the resolution of the Board in accordance with Applicable Public Company Rules.

**12.6** Subject to the Applicable Law, the Company shall, by Supermajority Resolution, distribute its Capital Reserve, in whole or in part, by issuing new shares which shall be distributed as bonus shares to its original Members in proportion to the number of shares being held by each of them.

**12.6A** When there's no loss, if the Board, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, determines the Capital Reserve shall be paid in cash in whole or in part, based on the proportion to the number of shares of the Members, it shall report to the Members in the next general meeting.

### **13. Variation of Rights Attaching to Shares**

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class. Notwithstanding the foregoing, if any modification or alteration in these Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of shares. To any such meeting all

the provisions of these Articles relating to general meetings shall apply *mutatis mutandis*. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## COMPENSATION, DIVIDENDS AND CAPITALISATION

### 14. Compensation and Dividends

**14.1** Subject to the restrictions set out in these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, determine the payout ratio and payment manner of employees' and Directors' compensation, and submit and report the same to the Members in the general meeting.

**14.2** Subject to the restrictions set out in this Article, the Company shall allocate employees' and Directors' compensation out of current year's profit in the following sequence and manner:

- (a) no more than 15% and no less than 5% as employees' compensation;
- (b) no more than 2% as Directors' compensation ; and
- (c) accumulated losses of the Company be set aside before allocation, if any.

Compensation to the employees' may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to the employees. The employees' compensation recipients may include qualified employees of the Company's Subsidiaries. And the Directors' compensation shall be distributed by way of cash.

**14.3** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 12.3(a), Supermajority Resolution and subject to these Articles and any direction of the Members in annual general meeting, declare dividends to be paid in shares to the Members, in proportion to the number of shares held by them.

**14.3A** If the Board, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, determines the dividends and bonus shall be paid in cash in whole or in part, in proportion to the number of shares held by them, and shall report to the Members in the next general meeting.

**14.4** Subject to the restrictions set out in this Article, dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Board determine is no longer needed, or not in the same

amount. In determining the Company's dividend policy, the Board recognises that the Company operates in a capital-intensive industry at the steady growth stage of its business, and in determining the amount, if any, of the dividend or other distribution the Board recommends to Members for approval in any financial year, the Board may take into consideration financial, business and operational factors of the Company. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law. Notwithstanding any other provision in these Articles and subject to compliance with the Law, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules. After combining accumulated undistributed earnings in the previous years and setting aside a certain amount of remaining profits of such financial year as a reserve or reserves for development purposes as the Board may from time to time think fit, subject to the compliance with the Law, the Company shall distribute no less than 10% of the remaining profit as dividends to the Members.

Dividends to the Members may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to the Members. Cash dividends to Members shall not be less than 10% of the total amount of dividends to Members. However, the Board may adjust payout ratio of annual cash dividends in any specific year based on the net profit and business operation of the Company during related fiscal years.

- 14.5 No unpaid employees', Directors' compensation or dividends shall bear interest as against the Company.
- 14.6 The Board shall fix a record date for determining the employees, the Directors entitled to receive any compensation or the Members entitled to receive any dividend or other distribution.
- 14.7 For the purpose of determining Members entitled to receive payment of any dividend, the Board may provide that the Register of Members shall be closed for transfers for five (5) calendar days before the relevant record date or such other period as may be required by the Applicable Public Company Rules subject to compliance with the Law.

## **15. Capital Reserve and Power to Set Aside Profits**



- 15.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose. Pending application, such sums may be employed in the business of the Company or invested, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.
- 15.2** Subject to any direction from the Company in general meeting, the Board may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Company's Capital Reserve. Subject to compliance with the Law, the Board may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distribution out of the Capital Reserve.

## **16. Method of Payment**

- 16.1** Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members.
- 16.2** In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by wire transfer to the holder first named in the Register of Members to such holder's designated account or by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.
- 16.3** For so long as the shares are listed on the TPEX, the payment of any dividend shall comply with the Applicable Public Company Rules.

## **17. Capitalisation**

Subject to Article 12.3(a) and the Applicable Law, the Board may capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

## **MEETINGS OF MEMBERS**

### **18. Annual General Meetings**

- 18.1** The Board of the Company shall convene and hold a general meeting as its annual

general meeting within six (6) months following the end of each financial year.

- 18.2** Subject to Article 18.1, the annual general meeting of the Company may be held at such time and place as the Board shall appoint. Unless otherwise provided by the Law, the annual general meeting shall be held in the ROC. If the Board resolves to hold the annual general meeting outside the ROC, the Company shall apply for the approval of the TPEX thereof within two (2) days after the Board adopts such resolution. Where the annual general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).
- 18.2A** General meetings may be held by means of video conference or other ways announced by the regulator pursuant to Applicable Public Company Rules. Members participating in a general meeting via video conference shall constitute presence in person at such meeting.
- 18.3** The Company shall make all the statements and records prepared by the Board and the report prepared by the Audit Committee that will be submitted to an annual general meeting available at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such review.
- 18.4** Unless otherwise provided in Articles 12.6A and 14.3A, the Board shall submit business reports, financial statements and proposals for distribution of profits or losses prepared by it for the purposes of annual general meetings of the Company for confirmation and adoption by the Members as required by the Applicable Public Company Rules. After confirmation and adoption at the annual general meeting, the Board shall send copies of or announce to the public via the Market Observation Post System the adopted financial statements and the minutes of the annual general meeting containing the resolutions passed on the allocation and distribution of profits or loss, to each Member.
- 19. Extraordinary General Meetings**
- 19.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 19.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary.
- 19.3** Articles 18.2 and 18.2A shall apply to extraordinary general meetings.

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- 19.4** The Board shall on a Member's requisition as defined in Article 19.5 forthwith proceed to convene an extraordinary general meeting of the Company.
- 19.5** One or more Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the issued shares of the Company continuously for a period of one (1) year or more may make a requisition that contains the details set out in Article 19.6 below to request the Board to convene an extraordinary general meeting of the Company.
- 19.6** The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor.
- 19.7** If the Board does not within fifteen (15) days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting after obtaining the prior approval from the relevant regulator. If the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TPEX for its prior approval.
- 19.8** One or more Member(s) continuously holding 50% or more of the total number of issued shares of the Company for a period of three (3) months or more may convene an extraordinary general meeting. The length of holding period and number of shares shall be determined based on shares held by the Member(s) within the share transfer prohibition period.
- 19.9** (Deleted)

## **20. Notice**

- 20.1** At least thirty (30) days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.
- 20.2** At least fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 20.3** The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly.
- 20.4** For so long as the shares are listed on the TPEX, the Company shall announce to the public via the Market Observation Post System the notice of a general meeting, the

proxy instrument, agendas and materials relating to the matters to be reported and discussed in the meetings and election or removal of Directors, in accordance with Articles 20.1 and 20.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 20.1 and 20.2. The Board shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules.

- 20.4A** Before effecting any Merger, Acquisition or Spin-off in a general meeting, the Company shall send to the Members the review results of Audit Committee and opinions provided by an independent expert, as provided in Article 61.2, and necessary items to be included in the contract or the plan pursuant to the Applicable Law along with the notice of the general meeting. If identical content of the foregoing documents has been posted on the website designated by competent securities authority in the ROC and kept in the place where the general meeting to be held for Member's inspection, it shall be deemed as having been sent to the Members.
- 20.5** The Members shall not bring up any extemporaneous motion not included in the notice of general meeting unless such extemporaneous motion is directly related to the matters indicated in the notice of general meeting and only to the extent permissible under Applicable Law. For the avoidance of doubt, matters pertaining to (a) election or discharge of Directors, (b) alteration of the Memorandum or Articles, (c) reduction of capital (d) application for the approval of ceasing its status as a public company, (e) (i) dissolution, Merger, Share Swap, Spin-off, (ii) any proposal of the Company to enter into, amend, or terminate any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the Company's business or assets, in whole or in any essential part, (iv) acquisition or assumption of the whole business or assets of another person, which has a material effect on the Company's operation, (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that competes with the Company's business, (g) payment of dividends in whole or in part by way of issuance of new shares, (h) distribution of new shares or cash, from the Capital Reserve, (i) the Private Placement of any equity-linked securities issued by the Company, (j) matters of Article 56-1 of ROC Regulations Governing the Offering and Issuance of Securities by Securities Issuers,

(k) matters of Article 60-2 of ROC Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an extemporaneous motion.

- 20.6** The Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office or such other places in accordance with the Applicable Law and the Company's stock affairs agent located in the ROC. The Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents; the Company shall procure the stock affairs agent to grant such access to the Members.

## **21. Giving Notice**

- 21.1** A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose by letter mail or courier service. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the Members in writing.
- 21.2** Any notice shall be deemed to be effective when it is sent in accordance with Articles 20 and 21 of these Articles.

## **22. Postponement of General Meeting**

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles provided that in the event that the Members resolve to postpone the general meeting for not more than five days, Articles 20.1, 20.2, 20.3, 20.4, 20.5 and 21 do not apply.

## **23. Quorum at General Meetings**

- 23.1** No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided for in these Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total outstanding shares of the Company entitled to vote, shall constitute a quorum for any general meeting.
- 23.2** Unless otherwise provided in these Articles, a resolution put to the vote of the meeting shall be decided on a poll.

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- 23.3** Nothing in these Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution within thirty (30) days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court for adjudicating any disputes arising out of the foregoing.
- 23.4** Unless otherwise expressly required by the Law, the Memorandum or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 23.5** When the Members present does not constitute the quorum prescribed in Article 23.1, a tentative resolution may be passed by more than one-half of those present and represent one-third or more of the total outstanding shares of the Company entitled to vote. A notice of such tentative resolution shall be given to each Member and the Company shall reconvene a general meeting within one (1) month. In the reconvened general meeting, if the tentative resolution is again adopted by more than one-half of the Members who are present and represent one-third or more of the total outstanding shares of the Company entitled to vote, such tentative resolution shall be deemed to be an Ordinary Resolution.
- 23.6** Member(s) holding 1% or more of the total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company a proposal for discussion at an annual general meeting. Prior to the date on which share transfer registration is suspended before the convention of an Annual General Meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for members to submit proposals to be discussed at the Annual General Meeting; and the period for the Company to accept the submitted proposals shall not be less than ten (10) days. If (a) the proposal contains more than 300 Chinese words or the proposing Member(s) has made more than one proposal, (b) the proposing Member(s) holds less than 1% of the total number of issued shares, (c) the matter of such proposal may not be resolved by a general meeting; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s), the Board shall refuse to include such proposal in the agenda of the annual general meeting. Member(s) may submit a proposal for urging the Company to promote public interests or fulfill its social responsibilities provided that only one proposal shall be allowed in accordance with Article 172-1 of the ROC Company Act. If

more than one proposal is submitted, none of the proposals shall be included in the agenda.

- 23.7** The rules and procedures of general meetings shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with these Articles and the Applicable Public Company Rules.

#### **24. Chairman to Preside**

In the event that the general meeting is convened by the Board, the Chairman shall act as chairman at all meetings of the Members at which such person is present. In case where the Chairman is on leave or unable to exercise the powers of the Chairman for any reason, the vice Chairman of the Board shall do so in place of the Chairman. If there is no vice Chairman or the vice Chairman also is on leave or unable to act for any reason, the Chairman shall appoint a managing Director to act on his behalf. If there is no managing Director, the Chairman shall appoint a Director to act on his behalf. If the Chairman does not make such appointment, the managing Directors or Directors shall elect from among themselves one person to act on the behalf of the Chairman.

Where a General Meeting is convened by any person entitled to call the meeting other than the Board, such meeting shall be chaired by the person so entitled or, if there are two or more persons so entitled to call the meeting, they shall choose one person from among themselves to chair the meeting.

#### **25. Voting on Resolutions**

- 25.1** Subject to any rights, privileges or restrictions attached to any share, every Member who is present in person or by proxy (or in the case of corporate Member, by corporate representative(s)) shall have one (1) vote for every share of which he is the holder. If a Member holds shares for others, such Member may exercise his voting power separately. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall comply and in accordance with these Articles and the Applicable Public Company Rules.
- 25.2** No Member shall be entitled to vote at a general meeting or at any separate meeting of the holders of a class of shares unless such Member is registered as a Member on the record date for such meeting nor unless he has paid all the calls on all shares held by such Member.
- 25.3** Votes may be cast either personally or by proxy or in the case of corporate Member, by corporate representative(s). A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one (1) proxy under one (1) instrument to attend and vote at such

meeting.

- 25.4** Electronic transmission shall be one of the methods for the Members to exercise their voting power at a general meeting. The Board may also determine that the voting power may be exercised by way of a written ballot. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electric document. The chairman as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electric document and/or any amendment to resolution(s) proposed at the said general meeting. For the purposes of clarification, such Member voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.
- 25.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the manner the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.

## **26. Proxies**

- 26.1** The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. An instrument of proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member



of the Company.

- 26.2** Subject to the Applicable Public Company Rules, except for trust enterprises organized under the laws of the ROC or a stock affairs agent approved pursuant to Applicable Public Company Rules, save with respect to the chairman being deemed appointed as proxy under Article 25.4, in the event a person acts as the proxy for two or more Members, the sum of shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting shares immediately prior to the relevant book closed period, during which the Company closes its register of Members; any vote in respect of the portion in excess of such 3% threshold shall not be counted.
- 26.3** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate written notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 26.4** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company no less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the deemed appointment of the chairman as proxy under Article 25.4. Where more than one (1) instrument of proxy are received from the same Member by the Company, the first instrument of proxy received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.
- 26.5** For so long as the shares are listed on the TPEX , the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

## **27. Dissenting Member's Appraisal Right**

- 27.1** In the event any of the following resolutions are adopted at a general meeting, any Member who has notified the Company in writing of his objection to such matter

prior to the meeting and has raised again his objection at the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:

- (a) the Company enters into, amends, or terminates any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others;
- (b) the Company transfers its business or assets, in whole or in any essential part; provided that the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (c) the Company acquires or assumes the whole business or assets of another person, which has a material effect on the Company's operations.

**27.2** In the event any part of the Company's business is spun off or involved in any Merger, Acquisition or Share Swap, any Member, who has abstained from voting in respect of such matter and raised his objection therefor, in writing or verbally (with a record) before or during the general meeting approving such Spin off, Merger, Acquisition or Share Swap, may request the Company to purchase all of his shares at the then prevailing fair price.

**27.3** A Member raising his objection under Article 27.1 or Article 27.2 shall send a notice to the Company in writing and specify his offered price within twenty (20) days following the adoption of resolution at the general meeting. If the Company and such Member agree on the offered price, the Company shall pay for all of his shares within ninety (90) days following the adoption of resolution at the general meeting. If not, the Company shall pay its proposed fair price to such Member within ninety (90) days following the adoption of resolution at the general meeting. Failing to make any payment will be deemed that the Company have accepted the offered price specified by the Member.

**27.4** Where the Company fails to reach an agreement on the offered price with dissenting Members requesting to purchase of all of their shares pursuant to Article 27.2 within sixty (60) days following the adoption of resolution at the general meeting, the Company shall file a petition with the Taipei District Court, ROC, as the court of competent jurisdiction, against all the dissenting Members to determine the purchase price within thirty (30) days following the end of negotiation.

## **28. Shares that May Not be Voted**

**28.1** Shares held as set out below shall not carry any voting rights nor be counted in the total number of outstanding shares at any given time:

- (a) beneficially owned by the Company itself;

- (b) by any entity in which the Company owns more than 50% of its issued and voting share capital or equity capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, directly or indirectly, more than 50% of its issued and voting share capital or equity capital.

**28.2** A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

**28.3** If a Director has pledged shares in the Company held by him and the number of such shares pledged at any time amounts to more than fifty per cent of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding fifty per cent of the total shares held by such Director at the time of his latest appointment shall not carry any voting rights and shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.

## **29. Voting by Joint Holders of Shares**

In the case of joint holders, the joint holders should appoint among themselves one person to exercise the rights of a shareholder pursuant to the Applicable Public Company Rules.

## **30. Representation of Corporate Member**

**30.1** A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

**30.2** Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

## **31. Adjournment of General Meeting**

Unless otherwise provided in these Articles, if a quorum is not present at the time appointed for the general meeting, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two (2) and the total time postponed shall not exceed one (1) hour. If the general meeting has been postponed for two (2) times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with these Articles.

### **32. Directors Attendance at General Meetings**

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

## **DIRECTORS AND OFFICERS**

### **33. Number and Term of Office of Directors**

- 33.1** There shall be a board of Directors consisting of no less than five (5) persons and no more than twelve (12) persons, each of whom shall serve for a term of office not exceeding three (3) years. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors.
- 33.2** The number of Directors having a spousal relationship or Family Relationship within Second Degree of Kinship with any other Directors shall be less than half of the total number of Directors.
- 33.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 33.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 33.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his position of Director automatically.
- 33.4** Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least one (1) of the Independent Directors shall be domiciled in the ROC and at least one (1) of them shall have accounting or financial expertise.
- 33.5** Independent Directors shall have professional knowledge and shall maintain independence within the scope of their duties as a director, and shall not have any direct or indirect interests in the Company. The professional qualifications,

restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.

### **34. Election of Directors**

**34.1** (Deleted).

**34.2** The Directors shall be elected by Members upon a poll vote by way of Cumulative Voting in the following manner:

(a) in the election of Directors, each share shall be entitled to the voting rights equivalent to the number of the Directors' seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons. Those candidates who receive more votes should be elected as the Directors;

(b) the Directors and Independent Directors of the Company shall be elected at the same time, and the votes to be elected shall be calculated separately. Those candidates who receive more votes should win the seats of Directors or Independent Directors, as the case may be; and

(c) where two (2) or more directors nominated for election receive the same number of votes which exceeds the number of new Directors intended to be elected, there shall be a draw by such Directors receiving the same number of votes to determine who shall be elected; the chairman shall draw for a Director nominated for election who is not present at the general meeting.

**34.3** For so long as the shares are listed on the TPEX, subject to the requirement of the competent securities authority in the ROC, the Company shall adopt a candidate nomination mechanism for the election of the Directors and Independent Directors which is in compliance with the Applicable Public Company Rules.

**34.4** If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.

**34.5** If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the Board equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days, a general meeting of Members to elect succeeding Directors to fill

in the vacancies.

**34.6** Where a legal entity is a Member, such legal entity and its authorized representative may be elected as Director of the Company in accordance with these Articles. If there are more than one authorized representatives, each of them may be so elected PROVIDED THAT such number of Directors to be elected shall not exceed the maximum number of Directors set out in Article 33.1 or as may be determined by the Company by way of Special Resolution from time to time.

### **35. Removal of Directors**

**35.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of such Director's term of office.

**35.2** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of Applicable Law, but not been removed by a Supermajority Resolution of a general meeting, the Member(s) holding 3% or more of the total number of outstanding shares of the Company may, within thirty (30) days after that general meeting, to the extent permissible under Applicable Law, institute a lawsuit in the court for a judgment to remove such Director. The Taipei District Court, ROC, may be the court for this matter.

**35.3** Prior to the expiration of the term of office of the current Directors, the Members may at a general meeting re-elect all Directors, which vote shall be calculated in accordance with Article 34.2 above. The term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting unless the Members resolve that all current Directors will be discharged at the expiration of their term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors.

### **36. Vacancy in the Position of Director**

**36.1** The position of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) dies;
- (c) resigns his/her office by notice in writing to the Company;
- (d) has been adjudicated bankrupt or adjudicated of the commencement of the

liquidation process by a court and has not been reinstated to his rights and privileges;

- (e) an order is made by any competent court or official on the grounds that he has no legal capacity or his legal capacity is restricted according to the applicable laws;
- (f) having committed an offence as specified in the ROC Organized Crime Prevention Act and subsequently adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or five (5) years have not elapsed since completion of serving the sentence, expiration of the probation, pardon;
- (g) having been convicted of an offence involving fraud, breach of trust or misappropriation and sentenced with imprisonment for a term of more than one (1) year, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (h) having committed an offense as specified in the ROC Anti-corruption Act and subsequently adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (i) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet ; or
- (j) having been granted a guardianship order and such order has not been revoked yet.

In the event that any of the foregoing events described in clauses (d), (e), (f), (g), (h), (i) or (j) has occurred in relation to an elected Director or a candidate for election of Director, such person shall be disqualified from being elected as a Director or a candidate for election of Director.

- 36.2** In case a Director that has transferred, during the term of office as a Director, more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed from the position of Director.
- 36.3** If any Director, after having been elected and before his/her inauguration of the office of director, has transferred more than one half of the Company's shares being held by him/her at the time of his/her election as such; or had transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period fixed prior to the convention of a general meeting, then he/she

shall immediately ceased to be a Director.

**36.4** The foregoing Articles 36.2 and 36.3, however, do not apply to an Independent Director.

### **37. Remuneration of Directors**

**37.1** The Board shall, in accordance with the Applicable Public Company Rules, establish a compensation committee comprised of at least three (3) members, and half of the member shall be Independent Directors. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the compensation committee, the Board shall, by a resolution, adopt a charter for the compensation committee the provisions of which are consistent with the Applicable Public Company Rules.

**37.2** The compensation referred in Article 37.1 shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

**37.3** The remuneration of the Directors shall be decided by the Board by reference to the recommendation made by the compensation committee (applicable only after the establishment of such compensation committee), the standard generally adopted by other enterprises in the same industry, and shall be paid regardless whether the Company has profits or suffers losses. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director shall also be entitled to a distribution of profits of the Company pursuant to the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he has entered into with the Company.

### **38. Defect in Appointment of Director**

Subject to Article 23.3 and the Applicable Law, all acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

### **39. Directors to Manage Business**

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as



are not, by the Law or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

#### **40. Powers of the Board of Directors**

Without limiting the generality of Article 39 and subject to the Applicable Law,

- (a) the Board may appoint, suspend, or remove any officer, manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) the Board may exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) the Board may appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) the Board may appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) the Board may, by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) the Board may procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) the Board may delegate any of its powers (including the power to sub-delegate) to a committee (including without limitation the compensation committee) of one (1) or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Board for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the

- meetings and proceedings of the Board;
- (h) the Board may delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
  - (i) the Board may present any petition and make any application in connection with the liquidation or reorganisation of the Company;
  - (j) the Board may, in connection with the issue of any share, pay such commission and brokerage as may be permitted by law;
  - (k) the Board may authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company;
  - (l) the Board shall manage Global Communication Semiconductors, LLC and/or other wholly-owned Subsidiaries of the Company in the same manner as the Company and with respect to all matters of Global Communication Semiconductors, LLC and/or other wholly-owned Subsidiaries of the Company in the nature which will be subject to the Board or the Members approvals if such matters are of the Company's, the Board shall take the necessary actions to have those matters decided by the Board or the general meeting, as applicable; and
  - (m) the Board shall request the officers of Global Communication Semiconductors, LLC and/or other wholly-owned Subsidiaries of the Company, to submit all of the material operation, financial and management decision regarding Global Communication Semiconductors, LLC and/or other wholly-owned Subsidiaries of the Company to the Board for discussion and resolution before Global Communication Semiconductors, LLC and/or other wholly-owned Subsidiaries of the Company make any material decision.

#### **41. Register of Directors and Officers**

- 41.1** The Board shall cause to be kept in one or more books at the Registered Office of the Company a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:
- (a) first name and surname; and
  - (b) address.
- 41.2** The Board shall, within the period of thirty (30) days from the occurrence of:-
- (a) any change among its Directors and Officers; or
  - (b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies of any such change that takes place.

#### **42. Officers**

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

#### **43. Appointment of Officers**

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

#### **44. Duties of Officers**

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

#### **45. Remuneration of Officers**

The Officers shall receive such remuneration as the Board may determine.

#### **46. Conflicts of Interest**

**46.1** Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as auditor to the Company.

**46.2** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Board, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

**46.3** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Board shall declare the nature of and the essential contents of his interest at the relevant meeting of the Board. Where the matters to be discussed at the meetings of the Board and general meeting pertaining to Spin-off, Merger or Acquisition, a Director who has a personal interest in the matter shall declare the nature of and the essential contents of his interest and reasons approving or disapproving such matter to the Board and the Members.

- 46.4** Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a Controlling or Subordinate Relation with a Director has interests in the matters under discussion in the meeting of Article 46.3, such Director shall be deemed to have a personal interest in the matter.
- 46.5** Notwithstanding anything to the contrary contained in this Article 46, a Director who engages in anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek its approval by Supermajority Resolution.

**47. Indemnification and Exculpation of Directors and Officers**

- 47.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons or a breach of the duties by such persons provided under Article 47.2. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer or a breach of the duties by such persons provided under Article 47.2.
- 47.2** Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the

Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

- 47.3** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof. The Company shall report the insurance amount, coverage, premium rate and other important contents of the abovementioned insurance purchased or maintained at the most recent meeting of the Board.

## **MEETINGS OF THE BOARD OF DIRECTORS**

### **48. Board Meetings**

- 48.1** The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.
- 48.2** The rules and procedures of the meeting of the Board shall be established by the Board in accordance with these Articles and the Applicable Public Company Rules.

### **49. Notice of Board Meetings**

A Director may, and the Secretary on the requisition of a Director shall, at any time

summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency (which should be determined by the chairman of the Board in his/her sole discretion), the meeting may be convened on a short notice given to each Director. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the Directors.

#### **50. Participation in Meetings by Video Conference**

Directors may participate in any meeting of the Board by means of video conference, electronic or other communication facilities as permitted by the Applicable Public Company Rules, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

#### **51. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board shall be more than one-half of the total number of the Directors then in office.

#### **52. Chairman to Preside**

If a meeting of the Board is convened by the Chairman, the Chairman shall act as chairman at such meeting of the Board. However, the first meeting of every term of the newly elected Directors shall be convened and chaired by the Director who received votes representing the largest portion of voting rights at the general meeting in which the Directors were elected. If there are two or more Directors so entitled to call the meeting, they shall choose one person from among themselves to chair the meeting.

When the meeting of the Board is convened by a majority of the Directors under Paragraph 4 of Article 203 and Paragraph 3 of Article 203-1 of the ROC Company Act, the chairman should be elected by and among the Directors who convene the meeting.

In the event that the Chairman is on leave of absence, or is unable to exercise his powers and authorities, the vice Chairman of the Board shall act in lieu of the Chairman. If there is no vice Chairman of the Board, or if the vice Chairman of the Board is also on leave of absence, or cannot exercise his powers and authorities, the Chairman shall designate a Director to chair such meetings of the Board. If the Chairman does not designate a proxy, a chairman shall be appointed or elected by the Directors present at the meeting.

#### **53. Validity of Prior Acts of the Board**

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

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## **CORPORATE RECORDS**

### **54. Minutes**

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

### **55. Register of Mortgages and Charges**

- 55.1** The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.
- 55.2** The Register of Mortgages and Charges shall be open to inspection in accordance with the Law, at the office of the Company on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

### **56. Form and Use of Seal**

- 56.1** The Company may adopt a seal, which shall bear the name of the Company in legible characters, and which may, at the discretion of the Board, be followed with or preceded by its dual foreign name or translated name (if any), in such form as the Board may determine. The Board may adopt one (1) or more duplicate seals for use in or outside Cayman Islands; and, if the Board thinks fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.
- 56.2** The Seal shall only be used by the authority of the Board or of a committee of the Directors authorised by the Board in that behalf; and, until otherwise determined by the Board, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Board or the committee of Directors.
- 56.3** Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

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## TENDER OFFER AND ACCOUNTS

### 57. Tender Offer

Within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigious or non-litigious agent appointed pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the Members holding more than 10% of the outstanding shares in their own names or in the names of other persons.
- (b) recommendations to the Members on the tender offer, which shall specify the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than 10% of the outstanding shares held in their own names or in the name of other persons.

### 58. Books of Account

**58.1** The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

**58.2** Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

**58.3** The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with these Articles and relevant laws and regulations shall be kept for at least one (1) year; provided, however, that if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information, they shall be kept until the conclusion of the lawsuit if the lawsuit period is longer than one (1) year.



**59. Financial Year End**

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an Ordinary Resolution prescribe or allow any financial year longer than eighteen (18) months.

**AUDIT COMMITTEE****60. Number of Committee Members**

The Company shall establish an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and all Independent Directors shall be members of the Audit Committee. There should be no less than three (3) committee members. One (1) of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one (1) of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members. The rules and procedures of meeting of the Audit Committee shall be adopted by the Board in accordance with these Articles and the Applicable Public Company Rules.

**61. Powers of Audit Committee**

**61.1** The Audit Committee shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for approval:

- (a) adoption of or amendment to any internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, lending funds to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-linked securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;

- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of the annual financial statements signed or sealed by the Chairman, manager and accounting officer of the Company, and the signed or sealed second quarter financial statements required to be audited and certified by a certified public accountant;
- (k) the audit of business reports and adoption of proposals for distribution of profits or losses; and
- (l) any other matter so determined by the Company from time to time or required by any competent authority having jurisdiction over the Company.

With the exception of item (j), any other matter that has not been approved with consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

- 61.2** Before approving a Merger, Acquisition or Spin-off, the Audit Committee shall review the fairness and reasonableness of the plan and transaction, and report the results to the Board and the Members. The Audit Committee, while reviewing the foregoing matters, shall retain and seek opinions from an independent expert on the justification of the share exchange ratio, cash or other assets to be distributed.

## **VOLUNTARY WINDING-UP AND DISSOLUTION**

### **62. Winding-Up**

- 62.1** Subject to Article 12.4 (a), the Company may be voluntarily wound-up by a Special Resolution of the Members.
- 62.2** If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members subject to the Applicable Law. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## **CHANGES TO CONSTITUTION**

**63. Changes to Articles**

Subject to the Law and to the conditions contained in its Memorandum, the Company shall, by Special Resolution, alter or add to its Articles.

**64. Changes to the Memorandum of Association**

Subject to the Law, the Company may from time to time by Special Resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

**LITIGIOUS AND NON-LITIGIOUS AGENT****65. Appointment of Litigious and Non-litigious Agent**

So long as the shares are listed on the TPEX, the Company shall appoint a litigious and non-litigious agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC to handle matters stipulated in the ROC Securities and Exchange Act and the relevant rules and regulations thereto. The Company's litigious and non-litigious agent shall be a natural person and have a residence or domicile in the ROC.

**OTHERS****66. ROC Securities Laws and Regulations**

For so long as the shares are listed on the TPEX, the qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee which are required to be followed by the Company shall comply with the applicable ROC securities laws and regulations.

**67. Application**

To the extent permitted under the Law, for so long as the shares are listed on the TPEX, if any provisions in these Articles are contradictory to the Applicable Public Company Rules which are applicable to the Company, the Applicable Public Company Rules shall prevail.

**68. Compliance**

For so long as the shares are listed on the TPEX, the Company shall comply with the ROC Company Act and the ROC Securities and Exchange Act, subject to any laws and regulations of the Cayman Islands (including the imperative or prohibitive provision of any laws and regulations of the Cayman Islands).

**69. Social Responsibilities**

When the Company conducts business, it shall comply with the laws and regulations in accordance with Article 66 to 68 as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.