

# **ACE PILLAR CO., LTD.**

## **ARTICLES OF INCORPORATION**

### **Chapter 1 General Provisions**

- Article 1: The Company is organized in accordance with the Company Act of R.O.C. and named ACE PILLAR CO., LTD. The Company Name in English shall be ACE PILLAR CO., LTD.
- Article 2: The lines of business of the Company shall include the following:
1. E603050 Automatic Control Equipment Engineering
  2. F401010 International Trade
  3. F113050 Wholesale of Computers and Clerical Machinery Equipment
  4. F118010 Wholesale of Computer Software
  5. F218010 Retail Sale of Computer Software
  6. I301010 Information Software Services
  7. CB01990 Other Machinery Manufacturing
  8. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The company's investment in other enterprises shall not be restricted by the regulations related to total investment amount, stipulated in the Company Act.
- Article 4: External guarantee for the business needs of the company shall be made with consent of the Board of Directors.
- Article 5: The head office of the Company is located in New Taipei City, Taiwan. The Company may, as approved by the resolution of the Board of Directors, set up branch offices or factories in compliance with applicable laws and regulations in Taiwan or abroad when necessary.

### **Chapter 2 Shares**

- Article 6: The total capital of the company is NT\$2 billion, divided into 200 million shares, all of which are common stocks. The value per share is NT\$10. The unissued shares will be issued in installments by authority of the Board of Directors.  
In the preceding capital, 5 million shares shall be reserved for issuance of share quota of employee stock warrants.
- Article 6-1: Only with consent of the shareholders' meeting where at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing a majority of total issued shares shall the company transfer shares to employees at a price lower than the average actual repurchase price, or issue the employee stock warrants at a subscription price lower than the closing price of common stock on the issuing date.
- Article 6-2: The treasury stocks purchased by the Company according to the Company Act may be transferred to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.  
The Company's employee stock options may be issued to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.

When the Company issues new shares, employees purchasing the shares include employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.

The Company may issue new shares for restricting employee rights to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.

Article 7: The company is exempted from printing any share certificate for the shares issued. However, the issued shares should be registered with a centralized securities depository enterprise. This also applies to other securities.

Article 8: Unless otherwise stipulated by laws and securities regulations, the company's shareholders handle matters related to stock affairs in accordance with the Company Law and the Regulations Governing the Administration of Shareholder Services of Public Companies.

### **Chapter 3 Shareholders' Meetings**

Article 9: The shareholders' meetings are divided into the regular shareholders' meeting and the special shareholders' meeting. The regular shareholders' meeting is convened by the Board of Directors once a year within six months after the end of a fiscal year, according to the law. A special shareholders' meeting may be convened in accordance with the law if necessary.

The shareholders' meeting of the company may be held by video conference or other means announced by the central competent authority.

The convening procedure of the shareholders' meeting shall be handled in accordance with Article 172, the Company Act.

Article 10: If a shareholder cannot attend a shareholders' meeting for some reason, he or she may issue a proxy form, printed by the company, stating the scope of authorization, to authorize an agent to attend the meeting on his or her behalf. Unless otherwise provided for under Article 177 of the Company Act, the rules of shareholders' authorization for attendance shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meeting of Public Companies".

Article 11: When the shareholders' meeting is convened, the chairperson of the Board shall chair the meeting. In case the chairperson of the Board is absent, he/she may designate one director as his/her agent. In case of no designation, one director may be elected from among the directors. For a shareholders' meeting which is convened by the convener other than the Board of Directors, according to the Company Act, the chairperson role shall be assumed by the said convener. In case of two or more conveners, one shall be elected among them.

Article 12: Each shareholder of the company shall have a voting right for each share he/she holds. However, those who involve any conditions specified in Article 179 of the Company Act have no voting right.

Article 13: Unless otherwise provided by relevant laws and regulations, the resolution of the shareholders' meeting shall be adopted by the affirmative votes of the attending shareholders representing more than half of the total issued shares.

Article 14: Resolutions of a shareholders' meeting shall be recorded in the meeting minutes signed or affixed with the chop by the meeting chair. Meeting minutes may be produced and distributed

in accordance with Article 183 of the Company Act.

#### **Chapter 4 Directors and Audit Committees**

- Article 15: The company shall have a board of directors consisting of seven to nine members, with a term of three years, who shall be elected by the shareholders' meeting in accordance with the law. In the event that the term of a director expires before re-election, the director shall continue to perform his or her duties until a new director is elected. There shall be at least three independent directors, and the election of directors adopts the candidate nomination system and shall be handled in accordance with the Company Act and relevant regulations.
- Article 16: The Board of Directors is organized by directors. The Chairman of the Board of Directors shall be elected from among the attending directors by a majority vote and with the attendance over two thirds of the seats in a meeting of the Board of Directors. As necessary, a Vice Chairman may be elected among the attending directors in the same manner. The Chairman of the Board shall externally have the authority to represent the Company.  
In case the Chairman of the Board asks for leave or for other reason cannot exercise his power and authority, he may appoint another director to represent him by proxy in accordance with Article 208 of the Company Act.  
If the Board of Directors meeting is held by video conference, the directors taking part in the meeting are deemed present in person.
- Article 16-1: The Company shall set up the Audit Committee organized by all of the independent directors in accordance with the Securities and Exchange Act. The composition of the audit committee, duties, rules of meeting procedure and other compliance matters shall comply with the relevant regulations prescribed by the securities supervisory authorities.
- Article 17: The remuneration of the whole directors shall be established by the Board of Directors subject to authority, based on personal contribution and the level in the same industry.
- Article 18: If the directors are unable to attend the board meeting, they shall issue the proxy form to authorize other directors to be present as their agents, pursuant to Article 205 of the Company Act. However, one proxy form can be issued for one director only.
- Article 19: As resolved by the Board of Directors, the company may purchase liability insurance for the directors with respect to liabilities resulting from exercising their duties.

#### **Chapter 5 Managerial Officer**

- Article 20: The company shall have one general manager and several vice general managers. Their appointment, discharge, and remuneration shall be handled in accordance with Article 29 of the Company Act.

#### **Chapter 6 Finalization of Accounts and distribution**

- Article 21: At the end of a fiscal year, the Board of Directors shall prepare the following reports and statements to be audited by the audit committee within 30 days prior to the regular shareholders' meeting before they will be submitted to the shareholders' meeting for

recognition:

1. Business report;
2. Financial statements
3. Proposal for allocation of profits or compensation of losses.

Article 22: If the company has gained profit in the annual accounts (the so-called profit refers to the income of pre-tax income before subtracting the profit-sharing compensation for employees and directors), 2 - 20% shall be allocated as the compensation for employees and less than 1% for directors' compensation. However, in case of the accumulated losses for the company (including adjustment of undistributed earnings amount), certain profits shall first be reserved to cover them.

The preceding profit-sharing compensation for employees shall be distributed in stock or cash and the subjects for distribution shall include the employees of the parent company or subsidiaries who meet certain specific requirements. The foregoing profit-sharing compensation for directors shall only be distributed in cash.

What is sated in the preceding two paragraphs should be performed by the resolution of the Board of Directors and reported during the shareholders' meeting.

Article 22-1: If there are earnings at the end of each fiscal year, the company shall first compensate the accumulated losses, in addition to paying all taxes according to the law, then withdraw 10% as the legal reserve and other special reserve, which should be withdrawn or reversed in accordance with the law. In case of any other earnings left, the Board of Directors shall draw up a distribution proposal in terms of the said balance, along with the undistributed earnings in the past years and present the proposal during the shareholders' meeting for the purpose of making a resolution on distribution.

If the foregoing earnings distribution is carried out in cash dividend, the Board of Directors shall be authorized to make a resolution and report it during the shareholders' meeting.

In response to the company's operation and growth needs, the company's dividend distribution policy considers the budget of future capital expenditure and fund needs. If there are earnings at the annual final accounts and the distributable earnings in the current year reach 2% of the capital, the dividend distribution shall not be less than 10% of the distributable earnings in the current year, in which the ratio of cash distribution shall not be less than 20% of the total dividends of the current year.

Article 22-2: The Company may distribute new shares or cash by way of legal reserve or capital reserve in accordance with Article 241 of the Company Act.

Where the means of cash is performed in the preceding paragraph, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

### **Chapter 7 Supplementary Provisions**

Article 23: If the company's stock is intended to be cancelled for public offering, a special resolution shall be made at the shareholders' meeting, and this article shall remain unchanged during the period of the company's listing on the TWSE and TPEX.

Article 24: Matters not provided for herein shall be subject to the Company Act and the related laws and

regulations.

Article 25: The establishment or amendment of these Articles of Incorporation shall come into force upon approval by the competent authority.

Article 26: These Articles of Incorporation were established by the organizers on March 20, 1984.

The 1<sup>th</sup> amendment was made on September 10, 1986.

The 2<sup>th</sup> amendment was made on June 30, 1987.

The 3<sup>th</sup> amendment was made on September 30, 1988.

The 4<sup>th</sup> amendment was made on July 31, 1990.

The 5<sup>th</sup> amendment was made on October 9, 1992.

The 6<sup>th</sup> amendment was made on October 20, 1993.

The 7<sup>th</sup> amendment was made on June 29, 1994.

The 8<sup>th</sup> amendment was made on June 22, 1995.

The 9<sup>th</sup> amendment was made on June 25, 1997.

The 10<sup>th</sup> amendment was made on June 12, 1998.

The 11<sup>th</sup> amendment was made on June 30, 1999.

The 12<sup>th</sup> amendment was made on June 22, 2000.

The 13<sup>th</sup> amendment was made on June 15, 2001.

The 14<sup>th</sup> amendment was made on September 5, 2001.

The 15<sup>th</sup> amendment was made on November 13, 2001.

The 16<sup>th</sup> amendment was made on June 28, 2002.

The 17<sup>th</sup> amendment was made on June 15, 2005.

The 18<sup>th</sup> amendment was made on June 15, 2006.

The 19<sup>th</sup> amendment was made on June 13, 2007.

The 20<sup>th</sup> amendment was made on June 13, 2008.

The 21<sup>th</sup> amendment was made on June 19, 2009.

The 22<sup>th</sup> amendment was made on June 18, 2012.

The 23<sup>th</sup> amendment was made on June 24, 2014.

The 24<sup>th</sup> amendment was made on June 15, 2016.

The 25<sup>th</sup> amendment was made on June 16, 2017.

The 26<sup>th</sup> amendment was made on March 13, 2019.

The 27<sup>th</sup> amendment was made on November 13, 2019.

The 28<sup>th</sup> amendment was made on June 12, 2020.

The 29<sup>th</sup> amendment was made on August 24, 2021.

The 30<sup>th</sup> amendment was made on June 14, 2022.