

# **Articles of Incorporation of Compal Electronics, Inc.**

## **CHAPTER I GENERAL PROVISIONS**

### **Article 1**

The Company is organized under the Company Law and shall be named “仁寶電腦工業股份有限公司” and the English name shall be “Compal Electronics, Inc.”.

### **Article 2**

The business scope of the Company shall be as follows:

1. To engage in CC01110 manufacturing business of computers and their peripheral equipments;
2. To engage in CC01080 manufacturing business of electronic parts and components;
3. To engage in CC01060 manufacturing business of wired communication machinery implements;
4. To engage in CC01070 manufacturing business of radio communication machinery implements;
5. To engage in CC01101 manufacturing business of telecom controlled radio frequency instruments;
6. To engage in F401021 import business of telecom controlled radio frequency instruments;
7. To engage in CB01010 manufacturing business of machinery equipments;
8. To engage in CB01020 manufacturing business of office machinery;
9. To engage in CE01990 manufacturing business of other optical & precision apparatus;
10. To engage in G801010 terminal business;
11. To engage in I501010 products design business;
12. To engage in I301010 information software services business;
13. To engage in F401010 international trade business;
14. To engage in F108031 Wholesale of Drugs, Medical Goods
15. To engage in F208031 Retail sale of Medical Equipments
16. To engage in CF01011 Medical Materials and Equipment Manufacturing
17. ZZ99999 All businesses that are not prohibited or restricted by laws, except those that are subject to special approval.

### **Article 3**

The Company may provide guarantee to other companies to meet its business needs.

### **Article 4**

The head office of the Company shall be in Taipei. When deemed necessary, the Company may set up branch offices or factories within or outside the Republic of China by resolutions of the Board of Directors.

### **Article 5 (Deleted)**

### **Article 6**

The re-investment amount of the Company may exceed 40% of its paid-in capital.

## **CHAPTER 2    SHARES**

### **Article 7**

The total capital of the Company shall be NT\$60,000,000,000 consisting of 6,000,000,000 shares with a par value of NT\$10 each (including 100,000,000 shares for employees' subscription to shares according to certificates of subscription or company bonds attaching the right of subscription to shares) which may be issued in several issues, and the shares that are not issued may be issued by the Board of Directors according to business requirement.

### **Article 7-1**

When the Company issues employee share subscription warrants, employee share subscription rights and restricted stock for new shares or buy-back shares in accordance with the laws, the employees so granted or transferred may include the employees of the Company's subordinate companies who meet certain requirements.

### **Article 8**

The share certificates of the Company shall be in registered form and shall be affixed with the signatures or seals of the director representing the Company, and shall be duly authenticated by the bank which is qualified to authenticate shares under the laws.

The Company may be exempted from printing any share certificate for the shares issued and shall appoint a centralized securities custody enterprise/ institution to make recordation of the issue of such shares.

### **Article 9**

The shareholders shall fill out seal impression cards when opening accounts. The style of signature or seal impression card shall be kept by the Company or the Company's stock agency for recordation, and the same shall apply to alteration.

### **Article 10**

Unless otherwise provided in laws and regulations and securities rules, the shareholders shall deal with stock affairs or exercise other relevant rights in accordance with the "Guidelines Governing the Processing of Stock Affairs by Public Company".

### **Article 11**

No entry for transfer of shares shall be permitted within sixty (60) days prior to a regular shareholders' meeting; thirty (30) days prior to a special shareholders' meeting; and five (5) days prior to a record date set for distributing dividends and bonuses or other benefits.

## **CHAPTER 3    SHAREHOLDERS' MEETING**

### **Article 12**

Shareholders' meeting shall be of two types, regular shareholders' meeting and special shareholders' meeting. The regular shareholders' meeting shall be called by the board of directors once a year within six (6) months of the close of each fiscal year. The special shareholders' meeting may be called pursuant to law when deemed necessary.

When the Company shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

The requirements, operating procedures, and other matters to be complied with for a video conference meeting shall be handled in accordance with the relevant regulations of the securities regulatory authority.

### **Article 13**

A shareholder who is unable to attend a shareholders' meeting may authorize a proxy to attend the meeting by a power of attorney printed by the Company duly signed or sealed and setting forth the vested power in accordance with the [Regulations Governing the Use of Proxy for Attending Shareholders' Meetings of Public Companies] prescribed by the competent authority.

### **Article 14**

The Chairman of the Board of Directors shall preside at the shareholders' meetings. If the Chairman is unable to attend the meeting or to exercise his power and authority, the Vice Chairman of the Board of Directors shall act on his behalf. In case there is no Vice Chairman or the Vice Chairman is also absent or unable to exercise his power and authority, the Chairman shall designate a Managing Director to act on his behalf, or where there is no Managing Director, one of the Directors to act on his behalf. In the absence of such a designation, the Managing Directors or the Directors shall elect one from among themselves an acting chairman of the Board of Directors.

### **Article 15**

Each shareholder of the Company shall have one (1) vote for each share held, unless otherwise provided in Article 179 of Company Act.

### **Article 16**

Except as otherwise provided in the Company Act, a resolution shall be adopted at a shareholders' meeting attended by shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the votes held by the shareholders present shall be cast in favor of such resolution.

### **Article 17**

Minutes of proceedings shall be prepared for all resolutions adopted at a shareholders' meeting, stating the date and place of the meeting, the abstract and results of proceedings, name of the chairman and the means by which a resolution is adopted, number of shareholders present and number of shares represented. A copy of the minutes of proceedings duly signed and sealed by the chairman shall be forwarded to each shareholder within twenty (20) days after the meeting.

The distribution process of meeting minutes is made in accordance with applicable laws and regulations.

## **CHAPTER 4 DIRECTORS AND COMMITTEES**

### **Article 18**

The Company shall have seven (7) to fifteen (15) Directors. Directors shall be elected by adopting candidate nomination system and being elected. There shall be at least three (3) Independent Directors among the Company's Directors.

The Directors' liability insurance may be bought by the Company for the liability of compensation they may bear according to law in their business scope during their term of office.

The number of seats, professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be in compliance with applicable laws and regulations.

#### **Article 19**

The Directors shall hold office for a term of three years and shall be eligible for re-election. Re-election of Independent Directors shall be governed by applicable laws and regulations.

#### **Article 20**

When one-third (1/3) of the Directors have vacated their offices or all of the Independent Directors are discharged, the special shareholders' meeting shall be called by the Board of Directors within sixty (60) days for election of Directors and Independent Directors to fill the vacancies until the original term expires.

#### **Article 21**

The Directors shall form a Board of Directors. The Chairman and Vice Chairman of the Board of Directors shall be elected by and from among the Directors with the concurrence of a majority of the Directors present at a Board of Directors' meeting attended by more than two-thirds (2/3) of the Directors. The Board chairman shall conduct all the business of the Company pursuant to the laws and regulations, Article of incorporation, and resolutions adopted at shareholders' meetings and Board of Directors' meetings.

#### **Article 22**

The business policies and other important matters of the Company shall be performed in accordance with the resolutions of the Board of Directors' meetings.

Except as otherwise provided in the provisions of the relevant laws, the Board of Directors meeting shall be called and presided by the chairman of the Company. In the event the Board Chairman is absent or unable to perform his right or authority, he may designate Vice Chairman to act on his behalf. In case there is no Vice Chairman or the Vice Chairman is absent or unable to perform his power or authority, the Chairman may designate one Managing Director to act on his behalf, or where there is no Managing Director, one of the Directors to act on his behalf. In the absence of the designation, the Managing Directors or Directors shall elect one from among themselves.

#### **Article 23**

Except as otherwise provided in the Company Act, a Board of Directors' meeting at which a resolution is adopted shall be attended by a majority of the Directors and at which meeting a majority of those present shall vote in favor of such a resolution. If any Director is unable to attend a Board of Directors' meeting, he/she may appoint another Director to attend the

meeting by proxy by executing a power of attorney in favor of the proxy specifying any limits on authority or powers in respect to the business to be transacted at the meeting; provided that the proxy shall accept the appointment of one Director only. Minutes of proceedings shall be prepared for the resolutions adopted at a Board of Directors' meeting and the provisions of Article 17 herein shall apply mutatis mutandis.

#### **Article 24**

Enhancing supervision functions and strengthening management mechanisms, the Board of Directors of the Company may set up committees. The organizational rules for each committee shall be promulgated respectively in accordance with relevant laws and regulations as well as the regulations and rules of the Company.

An Audit Committee is established according to Article 14-4 of the Securities and Exchange Act which consists of all Independent Directors. The Audit Committee shall have such powers and duties as the supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations.

#### **Article 25**

In conducting the business of the Company, the Directors shall be paid remuneration, regardless of whether the Company makes a profit or sustains a loss. The remuneration of Directors shall be submitted by the remuneration committee to the Board of Directors and decided by the Board of Directors in accordance with personal partake-in and contribution to the Company's operation and benchmarks in the same industry.

#### **Article 26**

Functions of the Board of Directors shall be as follows:

1. Appoint and remove managerial personnel;
2. Decide and amend business policies;
3. Examine budget and final account;
4. Propose for distribution of profits and covering of losses;
5. Approve for re-investment, extending loan to other companies, and pledge of assets;
6. Approve for endorsement, guarantee, acceptance to affiliates in excess of the total specified amounts (to be decided by the Board of Directors);
7. Approve for borrowing and financing in excess of total specified amounts (to be decided by the Board of Directors);
8. Establish and/or withdraw any main divisions of the Company and/or its domestic or overseas branches, and to prescribe and amend Articles of Incorporation and important rules by laws;
9. Approve for important contracts;
10. Approve for other important business; and
11. Appoint, discharge, and make payment to CPA.
12. To exercise other duties and powers granted in accordance with the laws and regulations, Articles of Incorporation, and by the shareholders' meetings.

#### **Article 27**

A Board of Directors' meeting shall be called with a seven days prior written notice setting forth the cause(s) of such meeting to all Directors, except there is an urgent need. In case of

emergency, a Board of Directors' meeting may be called at any time.

The meeting notice as referred to in the foregoing Paragraph shall set forth the cause(s) and be given via mail, e-mail or facsimile.

## **CHAPTER 5 OFFICERS**

### **Article 28**

The Company shall employ managers, their appointment and discharge shall be handled in accordance with Article 29 of the Company Act.

## **CHAPTER 6 FINANCIAL ACCOUNTS AND DISTRIBUTION OF PROFITS**

### **Article 29**

At the close of each fiscal year of the Company, the Board of Directors shall prepare the following statements/documents and present to the shareholders' meeting for ratification in accordance with the legal procedure:

1. business report;
2. financial statement;
3. proposal for distribution of profits or covering of losses.

The aforementioned proposal for distribution of profits, the distribution of dividends and bonuses to shareholders in cash which are under the resolution and have been adopted by the meeting of the Board of Directors which are authorized in accordance with the Company's Articles of Incorporation, will not need to be ratified by the shareholders' meeting when reported during the shareholders' meeting.

### **Article 30**

If there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than two percent (2%) thereof and to directors as compensation in an amount of not more than two percent (2%) of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses.

No less than eight percent of the amount of compensation to employee referred in the preceding paragraph shall be allocated as compensation distributions to the non-executive employees.

The compensation to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

### **Article 30-1**

If there is any profit after closing of books in a given year, the Company shall first defray tax due, cover accumulated losses and set aside ten percent (10%) of it as legal reserve and then set aside or reverse a special reserve in accordance with laws and regulations. The balance of earnings available for distribution is composed of the remainder of the said profit

and the unappropriated retained earnings of previous years. The Board of Directors may set aside a certain amount to cope with the business operation conditions, and shall prepare the proposal for distribution of the balance amount thereof after a resolution has been adopted and then allocated in accordance with Second Paragraph of this Article or Article 29.

The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses, capital surplus or legal reserve in cash to shareholders after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The lifecycle of the industry of the Company is in the growing stage. To meet the future capital needs and in consideration of capital budget, long-term financial planning and onshore and offshore competition condition, as well as the need of shareholders for cash flow, if there is any profit after close of books, the dividend and bonds to be distributed to shareholders should not be less than thirty percent (30%) of the after-tax profit of such year and the cash dividend allocated by the Company each year shall not be lower than ten percent (10%) of the total dividend (including cash and share dividend) for such year.

#### **Article 31**

Once the total legal reserve equals the total capital, the Company may stop setting aside the legal reserve by shareholders' resolution.

### **CHAPTER 7 SUPPLEMENTAL PROVISIONS**

#### **Article 32**

Matters not provided herein shall be governed by the Company Act.

#### **Article 33**

The organizational rules and handling procedures of the Company shall be separately prescribed by resolution of the Board of Directors.

#### **Article 34 (Deleted)**

#### **Article 35**

These Articles of Incorporation were prescribed by the promoters on April 16, 1984.

The 1<sup>st</sup> amendment was made on May 16, 1984;

The 2<sup>nd</sup> amendment was made on December 27, 1984;

The 3<sup>rd</sup> amendment was made on April 6, 1986;

The 4<sup>th</sup> amendment was made on July 18, 1986;

The 5<sup>th</sup> amendment was made on May 10, 1987;

The 6<sup>th</sup> amendment was made on June 13, 1987;

The 7<sup>th</sup> amendment was made on June 18, 1988;

The 8<sup>th</sup> amendment was made on May 27, 1989;

The 9<sup>th</sup> amendment was made on May 4, 1990;

The 10<sup>th</sup> amendment was made on June 23, 1990;

The 11<sup>th</sup> amendment was made on March 20, 1991;

The 12<sup>th</sup> amendment was made on April 30, 1992;  
The 13<sup>th</sup> amendment was made on April 13, 1993;  
The 14<sup>th</sup> amendment was made on April 23, 1994;  
The 15<sup>th</sup> amendment was made on March 31, 1995;  
The 16<sup>th</sup> amendment was made on March 27, 1996;  
The 17<sup>th</sup> amendment was made on May 29, 1997;  
The 18<sup>th</sup> amendment was made on April 8, 1998;  
The 19<sup>th</sup> amendment was made on April 8, 1999;  
The 20<sup>th</sup> amendment was made on March 30, 2000;  
The 21<sup>st</sup> amendment was made on April 3, 2001;  
The 22<sup>nd</sup> amendment was made on May 24, 2002;  
The 23<sup>rd</sup> amendment was made on June 10, 2003;  
The 24<sup>th</sup> amendment was made on June 10, 2005;  
The 25<sup>th</sup> amendment was made on June 9, 2006;  
The 26<sup>th</sup> amendment was made on June 15, 2007;  
The 27<sup>th</sup> amendment was made on June 13, 2008;  
The 28<sup>th</sup> amendment was made on June 19, 2009;  
The 29<sup>th</sup> amendment was made on June 18, 2010;  
The 30<sup>th</sup> amendment was made on June 24, 2011;  
The 31<sup>st</sup> amendment was made on June 22, 2012.  
The 32<sup>nd</sup> amendment was made on June 21, 2013.  
The 33<sup>rd</sup> amendment was made on June 20, 2014.  
The 34<sup>th</sup> amendment was made on June 26, 2015.  
The 35<sup>th</sup> amendment was made on June 24, 2016.  
The 36<sup>th</sup> amendment was made on June 21, 2019.  
The 37<sup>th</sup> amendment was made on June 24, 2022.  
The 38<sup>th</sup> amendment was made on May 29, 2025.