

AXIOMTEK CO., LTD.

Article of Incorporation

Section I-General Principles

Article 1

The Company is incorporated under the Company Act and its name shall be “Axiomtek Co., Ltd.”.

Article 2

The scope of business of the Company shall be as follow:

1. CB01020 Office Machines Manufacturing
2. CC01080 Electronic Parts and Components Manufacturing
3. F219010 Retail Sale of Electronic Materials
4. I301020 Data Processing Services
5. I301030 Digital Information Supply Services
6. I501010 Product Designing
7. E605010 Computing Equipment Installation Construction
8. CC01060 Wired Communication Equipment and Apparatus Manufacturing
9. CC01070 Telecommunication Equipment and Apparatus Manufacturing
10. CC01110 Computers and Computing Peripheral Equipment Manufacturing
11. CE01010 Precision Instruments Manufacturing
12. EZ05010 Apparatus Installation Construction
13. I301010 Software Design Services
14. F213030 Retail sale of Computing and Business Machinery Equipment
15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3

The Company’s headquarter is in New Taipei City, and may setup domestic or overseas branches with the resolution of the Board of Directors.

Article 4

The Company for business needs may conduct the making of endorsement and guarantee in accordance with the “Operating Procedures of Fund Lending and Making of Endorsements and Guarantees”.

Section II – Shares

Article 5

The Company's total capital shall be in the amount of NT\$1,600,000,000, divided into 160,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of Board of Directors.

Within the aforementioned capital, NT\$100,000,000 divided into 10,000,000 shares, with a par value of Ten New Taiwan Dollars (NT\$10) each shall be reserved for issuing employee stock options which may be issued in installments in accordance with the resolution of the Board of Directors.

Article 6

To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent Shareholders' Meeting attended by shareholders representing a majority of total issued shares.

Article 6-1

When the Company issuing the employee stock options at an exercise price lower than the Company's closing price on the date the issuance, it must obtain the consent of at least two-thirds of the voting rights represented at a Shareholders Meeting attended by shareholders representing a majority of the total issued shares.

Article 6-2

Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive the Company's treasury stocks in accordance with the Company Act. The requirement and manner of distribution are authorized to Board of Directors for resolution.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive the share subscription warrant. The requirement and manner of distribution are authorized to Board of Directors for resolution.

When the Company issues new shares, qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive the shares. The requirement and manner of distribution are authorized to Board of Directors for resolution.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive restricted stock for employees. The requirement and manner of distribution are authorized to Board of Directors for resolution.

Article 7

The Company is exempted from having the stock shares printed out; however, the Company should contact the securities depository and clearing institution for registration.

Article 8

Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholder of the Company shall follow the “Guidelines for Stock Operations for Public Companies”.

Article 10

The total investment of the Company shall not be restricted by Article 13 of the Company Act, which shall not exceed 40% of the paid-up capital of the Company.

SECTION III- Shareholders’ Meeting**Article 11**

Shareholders’ Meeting of the Company shall be of two types, namely regular meeting and special meetings. Regular meeting shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each fiscal year. Special meetings shall be convened in accordance with laws whenever necessary.

Article 12

Shareholder who is unable to attend the Shareholders’ Meeting in person may have a representative appointed to attend the meeting by issuing the power of attorney that is printed by the Company with the scope of authorization specified and then signed and sealed. The power of attorney referred to above is regulated in accordance with Article 177 of the Company Act and the “Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” published by the competent authority.

Article 13

A shareholder shall have one voting power in respect of each share in his/her/its possession. The shares shall have no voting power in accordance with the regulations of Article 179 of the Company Act.

Article 14

Resolutions at a Shareholders' Meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 15

A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than thirty (30) days prior to the scheduled meeting date. In case the Company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholder no later than fifteen (15) days prior to the scheduled meeting date. All shareholders will be notified of the meeting date, venue and proposed matters for convening any such meeting.

Article 16

The Chairman of the Board of Directors shall be the Chairman of the Shareholders' Meeting. When the Chairman is absent for some reason, the Chairman shall appoint one of the Board of Directors as the Chairman, and when not appointed, one of the directors shall be elected as the Chairman. If a Shareholders' Meeting convened by any other person having the convening right, he/she shall act as the Chairman of that meeting provided, however, that if there are two or more persons having the convening right, the Chairman of the meeting shall be elected from among themselves.

Article 17

Resolutions adopted at a Shareholders' Meeting shall be recorded in the minutes of the meeting, and handle in accordance with the regulations of Article 183 of the Company Act.

Section IV-Directors and Functional Committees**Article 18**

The Company shall have seven to nine directors. They are elected from capable candidates through a nominating system at the Shareholders' Meeting for a term of three (3) years. A director may be re-elected. The total shareholding of the Company held by all Directors shall be handled in accordance with the regulations of the security's regulatory authorities. The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 18-1

The Company shall have to appoint Independent Directors at least three in number and not less than one-fifth of total number of Directors in accordance with the regulations of Article 14-2 of the Securities Exchange Act. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and appointment, and other matters for compliance with respect to Independent Directors shall be prescribed by the competent authority. Independent Directors and Directors shall be elected at the same time, but in separately calculated numbers, a candidate to whom the ballots cast represent a prevailing number of votes shall be deemed Independent Directors and Directors.

Article 19

The Board of Directors is formed by the Directors. The Chairman is elected by a majority of the attending directors at the Board meeting that is attended by two-thirds of the Directors. The Chairman of the Board of Directors shall externally represent the Company.

Article 20

In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the matter regarding the deputy of the Chairman should be handled in accordance with Article 208 of the Company Act.

Article 21

In calling a meeting of the Board of Directors, a notice shall be given to each director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time.

The Board of Directors is authorized to determine the remunerations of all Directors according to their participation and contributions to the Companies' operation and by referring to the remuneration standard adopted by other firms of the same industry.

Article 22

When the number of vacancies in the Board of Directors of the Company equals to one-third of the total number of Directors, the Board of Directors shall convene a special meeting of shareholders to elect succeeding directors to fill the vacancies within 60 days, the new Directors shall serve the remaining term of the predecessors.

Article 23

Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director appoints another director to attend a meeting of the Board of Directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy for one other director only.

Article 24

Resolutions adopted at a meeting of the Board of Directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all Directors within fifteen (15) days after the close of the meeting. The minute of the meeting of the Board of Directors shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company. The attendance list bearing the signatures of Directors present at the meeting and the powers of attorney of the proxies shall be kept with the minutes of the meeting by the Company.

Article 24-1

The Board of Directors may set up a Remuneration Committee, an Audit Committee or other Functional Committees due to the needs of business operations.

The Company establishes an Audit Committee, which composes of the entire number of Independent Directors in accordance with Article 14-4 of the Securities and Exchange Act, The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, Securities and Exchange Act and other relevant regulations.

Section V-Managers**Article 25**

The Company may have one or more managerial personnel. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act. Managerial personnel shall be empowered to manage the operation of the Company and to sign relevant business documents for the company, subject to the scope of authorization. The Company may obtain managerial liability insurance with respect to liabilities resulting from exercising their duties during their tenure.

Section VI-Accounting**Article 26**

At the close of each fiscal year, the Board of Directors shall prepare Business Report, Financial Statement, and the Profit Distribution Proposal for acknowledgement in the general meeting of shareholders.

Article 27

This Company shall set aside 1%-20% as employees' remuneration and the percentage lower than 2% as directors' remuneration if the Company has profit (means the pre-tax income before deduction of the employees' and directors' remuneration) in the current year. However, the Company's accumulated deficit shall have been covered, if any (including the adjustment of unappropriated retained earnings).

The Company may have the profit distributable as employees' remuneration in the preceding paragraphs distributed in the form of shares or in cash to the qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, the requirement and manner of distribution are authorized to Board of Directors for resolution. The remuneration of directors in the preceding paragraphs only can receive the profit in the form of cash.

The Company shall, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors for the preceding two paragraphs distributed and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

Article 27-1

When allocating the net income for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, where such legal reserve amounts to the total authorized capital, this provision will not apply. The Company would set aside or fund another sum as special reserve in accordance with the regulations of the Law or the rules of the Authorities, plus the rest of the and accumulated retained earnings of preceding fiscal year (including the adjustment of undistributed earnings), and the meeting of Board of Directors would draft the proposal for distribution, and to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by 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 Company distributing surplus earning in the form of new shares to be issued by the Company in accordance with the preceding paragraphs shall follow the provisions of Article 240 of the Company Act with a resolution adopted at a meeting of shareholders.

The dividend policy of the Company is in concert with the development plan of current and future, the environment of investment, funds requirement, and the competition condition of domestic and foreign, also considers the shareholders' interest, as results, the Company shall set aside earnings available for distribution which is not less than 25% as shareholders' dividends and bonuses, the stock dividends of share allocations will not be higher than 80% of the total dividends and bonuses.

Article 27-2

When the Company incurs no loss, it may authorize the legal reserve (only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed) and the capital reserve following the provisions of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

Section VII-Supplementary Provisions**Article 28**

For all matters not stipulated in the Company's Articles of Incorporation, the Company Act shall govern.

Article 29

These Articles of Incorporation were established on May 8, 1990.

The first amendment was approved on January 7, 1993.

The second amendment was made on October 1, 1993.

The third amendment was made on May 24, 1997.

The fourth amendment was made on August 15, 1997.

The fifth amendment was made on September 5, 1997.

The sixth amendment was made on June 20, 1998.

The seventh amendment was made on June 12, 1999.

The eighth amendment was made on June 24, 2000.
The ninth amendment was made on June 16, 2001.
The tenth amendment was made on March 5, 2002.
The eleventh amendment was made on June 25, 2002.
The twelfth amendment was made on June 30, 2003.
The thirteenth amendment was made on May 24, 2004.
The fourteenth amendment was made on June 24, 2005.
The fifteenth amendment was made on June 9, 2006.
The sixteen amendment was made on June 25, 2007.
The seventeenth amendment was made on June 6, 2008.
The eighteenth amendment was made on June 22, 2009.
The nineteenth amendment was made on June 17, 2010.
The twentieth amendment was made on June 24, 2011.
The twenty-first amendment was made on June 18, 2012.
The twenty-second amendment was made on June 3, 2015.
The twenty-third Amendment was made on May 31, 2016.
The twenty-fourth Amendment was made on May 22, 2017.
The twenty-fifth Amendment was made on May 29, 2019.

Seal of Axiomtek Co., Ltd.



Seal of Chairman Yang, Yu-Te

