

# Eris Technology Corporation

## Articles of Incorporation

### Section I – General Provisions

#### Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 德微科技股份有限公司 in the Chinese language, and Eris Technology Corporation in the English language.

#### Article 2

The scope of business of the Corporation shall be as follows:

01. CC01110 Computer and Peripheral Equipment Manufacturing
02. F113050 Wholesale of Computers and Clerical Machinery Equipment
03. F213030 Retail Sale of Computers and Clerical Machinery Equipment
04. E605010 Computer Equipment Installation
05. I301010 Information Software Services
06. I301020 Data Processing Services
07. I301030 Electronic Information Supply Services
08. F401010 International Trade
09. CC01080 Electronics Components Manufacturing
10. F119010 Wholesale of Electronic Materials
11. E603050 Automatic Control Equipment Engineering
12. CB01010 Mechanical Equipment Manufacturing
13. CP01010 Hand Tools Manufacturing
14. E604010 Machinery Installation
15. F113010 Wholesale of Machinery
16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### Article 3

The Corporation shall have its head office in New Taipei City, Taiwan, Republic of China, and shall be free to set up branch offices with the resolution of the Board of Directors,

at various locations within and without the territory of the Republic of China, wherever and whenever the Corporation deems it necessary or advisable to carry out any or all of its activities.

#### **Article 4**

The Corporation shall make endorsements/guarantees for others which complying with Article 5 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

#### **Article 5**

When the Corporation shall reinvest and become a limited liability shareholder, the amount of total investment shall have no restrictions.

### **Section II – Capital Share**

#### **Article 6**

The total capital stock of the Corporation shall be in the amount of 700,000,000 New Taiwan Dollars, divided into 70,000,000 common shares, at ten New Taiwan Dollars each. Unissued Capital Stock is authorized the Board of Directors to be paid-up in installments.

#### **Article 6-1**

To comply Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, an issuer is required to 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. The price of employee stock options shall be at least below closing price of issue date.

#### **Article 6-2**

After the shares of the Corporation were listed, complied with the Article 10-1 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, an issuer is required to 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. Repurchases its own shares for the purpose of transferring them to its employees shall be at least below listed matters.

#### **Article 7**

The Corporation may issue shares without printing share certificate(s). If the

Corporation decides to print share certificates for shares issued, the transfer and creation of pledge for the shares registered with a centralized securities depository enterprise.

#### **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 Corporation.

#### **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 shareholders of the Corporation shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulations.

### **Section II – Shareholder Meeting**

#### **Article 10**

Shareholders' meeting shall be of the following two kinds. Regular meeting of shareholders shall be held at least once every year and be convened within six months after close of each fiscal year. Special meeting of shareholders shall be held when necessary. A shareholders meeting shall, unless otherwise provided for in Company Act, be convened by the Board of Directors.

A regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. As of Special meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. According to regulatory requirements, shareholders may also be noticed by an electronic transmission. Shareholders holding less than 1,000 shares shall be noticed by announcement.

#### **Article 11**

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his absence, the chairman of the meeting shall be appointed; whereas for 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 12**

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, all rights at the meeting, in accordance with Article 177 of the Company Law. The representative to attend shareholder meeting shall be complied with the provisions of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

### **Article 12-1**

Except in the circumstance of the Article 179 of Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession. Shareholders may also vote via an electronic voting system, of which exercise method shall be stated in the notice of shareholders' meeting.

### **Article 12-2**

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the Corporation a proposal for discussion at a regular shareholders' meeting. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

## **Article 13**

Resolutions at a shareholders' meeting shall, unless otherwise provided for in this 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 14**

Resolutions adopted at a shareholders' meeting 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 shareholders of the Corporation within twenty (20) days after the close of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be affected by means of electronic transmission.

#### **Article 14-1**

The Corporation may apply for an approval of ceasing its status as a public company by shareholders' meeting for review and approval. The present Article shall remain unchanged during the Corporation's listing in emerging, OTC, and stock exchange markets.

#### **Article 14-2**

(Deleted)

### **Section IV – Directors**

#### **Article 15**

The Corporation shall have five to seven Directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director shall not exceed three years; but he/she may be eligible for re-election. In case no election of new directors is affected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. A candidate nomination system is adopted by a company for election of the directors of the Corporation. Any shareholder holding 1% or more of the total number of outstanding shares issued by the Corporation or list of director candidates proposing by the Board of Directors shall be submitted to shareholders' meeting, and elected by shareholders from the list of director candidates.

The Corporation shall purchase liability insurance for its directors by the resolution of the Board of Directors.

#### **Article 15-1**

The cumulative voting method shall be used for election of the directors at this Corporation. In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom ballots cast represent a prevailing number of votes shall be deemed a director elect.

#### **Article 16**

To comply with Articles 14-2 of Securities and Exchange Act, the Corporation appoints independent directors, and independent directors shall not be less than two in number and not

less than one-fifth of the total number of directors. Independent directors shall be elected by shareholders' meeting from among the nominees listed in the roster of candidates. Qualification and other compliance matters of independent directors shall comply with related provisions of security authority.

#### **Article 16-1**

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise. A public company establishing an audit committee shall do so in accordance with the provisions of the Act and of these Regulations; provided, where another law provides otherwise, the provisions of such law shall prevail.

#### **Article 17**

The Board of Directors shall be composed of the entire number of directors. The Directors shall elect from among themselves a chairman of the Board of Directors, and may elect a vice chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall not have a second or casting vote at any meeting of the Board of Directors. The chairman of the Board of Directors shall have the authority to represent the Corporation.

#### **Article 18**

Except the first Board meeting of every term of the newly elected Board of Directors, which shall be convened by the Director who has received the largest number of votes after such new election, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside over all meetings of the Board of Directors. Such prescribed notices may be waived in writing or electronics transmission. In his absence, the chairman of the meeting shall be appointed; whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided.

#### **Article 19**

Except as otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. 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. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

#### **Article 20**

Resolutions adopted at the Board 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 of the Corporation within twenty (20) days after the close of the meeting.

#### **Article 22**

The salary of the Directors, whether the Corporation generates a profit or a loss, shall be taken into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

### **Section V - Management of the Corporation**

#### **Article 23**

A company may have one or more managerial personnel in accordance with the Article 29 of Company Act.

### **Section VI – Accounting**

#### **Article 24**

The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance: 1) Business Report, 2) Financial Statements; 3) Proposal Concerning the Distribution of Earnings or Covering of Losses.

#### **Article 25**

Before paying dividends or bonuses to shareholders, the Corporation shall set aside 1-5% of its profits of the period for which the Corporation distributes the earnings as profit sharing bonuses to its employees by way of cash dividend and/or stock dividend. Employees' profit-sharing bonuses are resolved by a majority vote at a Board of Directors meeting

attended by at least two-thirds of the total number of directors and shall be reported to the shareholders' meeting.

Provided, however, that the Corporation shall have reserved a sufficient amount to offset its accumulated losses.

#### **Article 25-1**

When allocating the earnings, the Corporation shall reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Corporation, then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. If any earnings remain, with accumulated undistributed earnings, the Board of Directors shall propose distribution of earnings and submit to shareholders' meeting for the resolution.

Earnings of the Corporation may be distributed by way of cash dividend and/or stock dividend. Distribution of earnings may also be made by way of stock dividend, provided however, the ratio for stock dividend shall not exceed 10% of total distribution. Since the industry of the Corporation is in growing stage, the Board of Directors shall estimate the distribution of earning and submit to shareholders' meeting for the resolution.

### **Section IV – Supplementary Provisions**

#### **Article 26**

The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors.

#### **Article 27**

In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

#### **Article 28**

These Articles of Incorporation are agreed on August 8, 1995.

The 1<sup>st</sup> amendment was on May 7, 2001;

The 2<sup>nd</sup> amendment was on June 5, 2001;

The 3<sup>rd</sup> amendment was on September 20, 2002;

The 4<sup>th</sup> amendment was on November 20, 2002;

The 5<sup>th</sup> amendment was on June 1, 2005;



The 6<sup>th</sup> amendment was on June 1, 2006;  
The 7<sup>th</sup> amendment was on June 5, 2007;  
The 8<sup>th</sup> amendment was on November 27, 2007;  
The 9<sup>th</sup> amendment was t on July 18, 2008;  
The 10<sup>th</sup> amendment was on March 18, 2009;  
The 11<sup>th</sup> amendment was on January 19, 2010;  
The 12<sup>th</sup> amendment was on December 20, 2010;  
The 13<sup>th</sup> amendment was on June 28, 2011;  
The 14<sup>th</sup> amendment was on June 26, 2012;  
The 15<sup>th</sup> amendment was on October 3, 2014;  
The 16<sup>th</sup> amendment was on March 31, 2016;  
The 17<sup>th</sup> amendment was on October 13, 2017;  
The 18<sup>th</sup> amendment was on October 15, 2020.