

**Advanced Optoelectronic Technology Inc.  
Articles of Incorporation**

**Section One – General Provisions**

**Article 1**

The Company shall be incorporated as a company limited by shares under the Company Act of the Republic of China, and its name shall be Advanced Optoelectronic Technology Inc.

**Article 2**

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

CC01080: Electronic Parts and Components Manufacture.

F119010: Wholesale of Electronic Materials.

F219010: Retail Sale of Electronic Materials.

F401010: International Trade

IZ99990: Other Industrial and Commercial Services.(The research & Test of LD and LED)

I501010: Product Designing.

ZZ99999: All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

**Article 3**

The Company is headquartered in Hsinchu County, Taiwan, Republic of China, and shall be free, upon approval of the Board of Directors and government authorities in charge, to set up representative or branch offices at various locations within or outside the territory of the Republic of China, whenever the Company deems it necessary.

**Article 4**

The Company may provide endorsement or guarantee to others owing to business transactions or investment, but the total amount of guarantee shall not exceed 40% of the Company's net worth.

**Article 5**

The total amount of the Company's investment may be over 40% of the Company's paid-in capital and the Board of Directors of the Company is authorized to exercise.

**Section Two – Capital Stock**

**Article 6**

The total capital stock of the Company shall be in the amount of 2.4 Billion New Taiwan Dollars, divided into 240 million shares at NT\$10 par value each share, and may be paid-up in installments in accordance with the resolution of the Board of Directors. Among the above-mentioned 240 million shares, 5 million shares will be reserved for issuing employee stock options.

## **Article 7**

The share certificates of the Company shall all be name-bearing share certificates, and shall be signed by or affixed with seals of at least three directors, and authenticated by the competent authorities of the Government or the certification organization approved by the competent authorities. The Company may be exempted from printing share certificates if the shares are registered with a centralized securities depository enterprise.

## **Article 8**

All stock processing and related activities shall follow the regulations issued by the Government of the Republic of China.

## **Article 9**

Registration for transfer of shares shall be suspended before the date of annual general shareholders' meeting and any special shareholders' meeting, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company, in accordance with Article 165 of the Company Act.

### **Section Three – Shareholders' Meeting**

## **Article 10**

Shareholders' meetings of the Company are of two types: annual general shareholders' meetings and special shareholders' meetings. The annual general shareholders' meeting is called by the Board of Directors once per year within six months of the close of the fiscal year, in accordance with Article 172 of the Company Act. The special shareholders' meeting may be called in accordance with applicable laws and regulations whenever necessary.

The notice of a shareholder's meeting may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The above-mentioned notice may be announced in public to the shareholders possessing less than 1,000 shares.

## **Article 11**

If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a representative to attend it, with a Shareholder Proxy Form issued by the Company, in accordance with Article 177 of the Company Act and the applicable laws or regulations.

## **Article 12**

The shareholders' meeting shall be presided by the Chairman of the Board of Directors of the Company. In case the Chairman is on leave or otherwise cannot exercise his duty, the proxy shall be acted in accordance with Article 208 of the Company Act.

## **Article 13**

Each shareholder shall have one voting power in respect of each share in his possession, but the shares shall have no voting power under limitation or provided for in Article 179, Paragraph 2 of the Company Act.

#### **Article 14**

Except as otherwise provided by other laws or regulations, shareholders' meetings shall be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

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

For the issuance of employee stock option of the Company at a price lower than the market price, such issuance shall be adopted by two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

If the Company transfers the buyback shares to its employees at a price lower than average price of actual buyback price, such transfer shall be adopted by two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

#### **Article 15**

Shareholders of the Company can vote through written papers or the electronic voting system, the details of which shall be handled in accordance with relevant laws and regulations of the Republic of China.

The resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be affixed with the signature or seal of the Chairman of the meeting. The minutes shall be kept and distributed to all shareholders of the Company within 20 days after the close of the meeting, in accordance with Article 183 of the Company Act. The distribution of the minutes of the shareholders' meeting may be effected by means of a public notice in Market Observation Post System.

### **Section Four – Directors and Audit Committee**

#### **Article 16**

The Company shall have five to nine directors. The term of office for directors shall be three years, and all directors shall be eligible for re-election. The total number of shares that all directors shall hold should be in accordance with the requirements of the competent authorities. In the election of directors of the Company, the single recorded cumulative voting system is implemented. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or be divided to vote for several persons; the candidate who receive more votes will win the seat of directors. If any necessary to amend the voting system, the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders in accordance with Article 172 of the Company Act.

The election of the Company's directors shall be conducted in accordance with Article 192-1 of the Company Act under the system of nomination of candidates, and the directors shall be elected by shareholders' meeting from the roster of the candidates.

**Article 16-1**

Among the aforesaid directors in Article 16, there are at least three of which shall be independent directors, and not less than one-fifth of the total number of directors.

The relevant professional qualifications, restrictions on shareholdings, concurrent positions held, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant laws and regulations of the Republic of China.

**Article 16-2**

Directors may be notified of the Board of Directors meeting via written notices, fax, or email in accordance with Article 204 of the Company Act.

**Article 16-3**

The Company establishes audit committee according to Article 14-4 of the Securities and Exchange Act and the Committee shall be composed of all independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

**Article 17**

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 call a shareholders' meeting to elect succeeding directors to fill the vacancies according to Article 201 of Company Act. The expiration of the term of office of new directors shall be the same as the old ones.

**Article 18**

In case no election of new directors is effected 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.

**Article 19**

The Board of Directors shall be composed of the entire directors. The Directors shall elect from among themselves a chairman of the Board of Directors by a majority vote in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to act in accordance with Laws, Articles of Incorporation, resolutions of shareholders' meetings and the meetings of the Board of Directors.

**Article 20**

The Company's business principles and other important items shall be acted in accordance with any resolution adopted by the meetings of the Board of Directors. Except the first meeting of each term of the board of directors convened by the director who received a ballot representing the largest number of votes at the election of directors, in accordance with Article 203 of Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, and the Chairman shall preside at the meeting of the Board of Directors. In case the Chairman is

on leave or otherwise cannot exercise his duty, the Chairman shall appoint a director to act as his deputy; otherwise the other Directors shall elect from among themselves a Chairman to preside over the meeting of the Board of Directors.

#### **Article 21**

Except as otherwise provided in the Company Act, a meeting of the Board of Directors shall be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting. In case a director is unable to attend the meeting of the Board of Directors for any cause, he may appoint another director to attend the meeting of the Board of Directors in his/her behalf. 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 referred to in the preceding paragraph of one other director only.

#### **Article 22**

Resolutions adopted at a meeting of the Board of Directors shall be recorded in the minutes, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all directors of the Company within 20 days after the close of the meeting. The minutes 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, the attendance book and the proxies shall be kept by the Company.

#### **Article 23**

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#### **Article 24**

The remuneration of directors shall be determined by the Board of Directors according to their participation level and contribution value, and shall be compared with the standard of the same industry.

If the Director(s) also serve(s) other position(s) in the Company, his/her compensation for such duties shall be authorized to the General Manager by the shareholders' meetings to handle in accordance with the internal rules.

The Board of Directors is authorized to purchase liability insurance for its directors within the term of office.

### **Section Five – Managers and Employees**

#### **Article 25**

The Company may appoint one or more managers, and the appointment, discharge or the remuneration of the manager(s) shall be decided in accordance with Article 29 of the Company Act.

## **Article 26**

The Company may hire important employees to implement the resolution of the meeting of the Board of the Directors in accordance with Article 21 of Articles of Incorporation.

## **Section Six – Finance**

### **Article 27**

After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, be audited and signed by the Audit Committee 30 days before the shareholders' meeting and be submitted to the shareholders' meeting for acceptance.

1. Business Report.
2. Financial Statements.
3. Proposals for earning distribution or deficit compensation.

### **Article 28**

If there is any profit for a specific fiscal year, the Company shall allocate not less than 5% of the profit as employees' compensation and shall allocate not more than 0.1% of the profit as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance.

Employee's compensation is distributed in the form of shares or cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. Those proposals shall be adopted by the Board of Directors by a majority vote in a meeting attended by over two-thirds of the Directors and shall be reported in the shareholder's meeting.

If there is any profit in the annual financial statements of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocate or reverse special reserves as required by Article 41 of Securities and Exchange Act.
5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividends. The Board of Directors will prepare a distribution proposal and submit the proposal to the shareholders' meeting for review and approval by a resolution.

The dividend policy shall take the factors into account such as future development, stable financial structure and shareholders' benefits, and the allocation of dividends shall be paid at a rate not less than 20% of the current year's distributable earnings; however if the distributable earnings are less than 1% of the paid-in capital, the Company may resolve to transfer the entire amount to retained earnings without distribution. Dividends to shareholders may be distributed in cash or in stock, and the stock dividends shall not be higher than half of the total dividends to shareholders.

## Section Seven – Supplementary Provisions

### Article 29

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### Article 30

For matters not provided in the Articles of Incorporation, it shall be handled in accordance with the Company Act and other related laws of the Republic of China.

### Article 31

These Articles of Incorporation were resolved on September 17, 1999.

The first amendment was made on November 5, 1999.

The second amendment was made on January 18, 2000.

The third amendment was made on February 13, 2001.

The fourth amendment was made on August 23, 2002.

The fifth amendment was made on June 27, 2003.

The sixth amendment was made on November 28, 2003.

The seventh amendment was made on June 30, 2004.

The eighth amendment was made on June 30, 2004.

The ninth amendment was made on June 30, 2005.

The tenth amendment was made on June 30, 2005.

The eleventh amendment was made on May 16, 2006.

The twelfth amendment was made on May 16, 2006.

The thirteenth amendment was made on February 7, 2007.

The fourteenth amendment was made on February 7, 2007.

The fifteenth amendment was made on June 29, 2007.

The sixteenth amendment was made on June 27, 2008.

The seventeenth amendment was made on May 22, 2009,

The eighteenth amendment was made on June 22, 2010.

The nineteenth amendment was made on June 26, 2012.

The twentieth amendment was made on April 23, 2013.

The twenty-first amendment was made on June 12, 2014.

The twenty-second amendment was made on June 24, 2016.

The twenty-third amendment was made on June 22, 2018.

The twenty-fourth amendment was made on July 20, 2021.

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