

# Advanced Power Electronics Co., Ltd.

## The Articles of Incorporation

- Chapter I General Provisions
- Article 1 The Company shall be incorporated as a company, under the Company Act of the Republic of China. The name of the Company shall be 富鼎先進電子股份有限公司, which shall be written in English as “Advanced Power Electronics Corp.” (hereinafter referred to as “the Company”).
- Article 2 The scope of business of the Company shall be:
1. CC01080 Electronic Parts and Components Manufacturing.
  2. F113020 Wholesale of Household Appliance.
  3. F213010 Retail Sale of Household Appliance.
  4. I501010 Product Appearance Designing.
  5. I301010 Software Design Services.
  6. I599990 Other Designing (Electronic component design、IC design、semi-conductor design).
  7. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified (Electronic component、IC、electronic test service).
  8. F119010 Wholesale of Electronic Materials.
  9. F219010 Retail Sale of Electronic Materials.
  10. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.
- Article 3 The Company shall have its registered head office in Hsinchu County and shall, where necessary and with a resolution to do so by the Board of Directors, set up branch offices either within or outside the territory of the Republic of China.
- Article 4 The total amount of the Company’s reinvestment shall not be subject to the restriction as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors if there is any business needs.
- Article 4-1 The Corporation may provide endorsement and guarantee and act as a guarantor. Unless otherwise provided by the relevant laws, rules and regulations, the Company may handle endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company.
- Chapter II Shares
- Article 5 The total registered capital stock of the Company shall be Two Billion New Taiwan Dollars (NT\$2,000,000,000), divided into Two Hundred million (200,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. Any unissued shares shall be issued as common shares or preferred shares, where necessary, upon the approval of the Board.
- Seven million fifty hundred thousand shares of the above total capital stock of the Company shall be retained for the issuance of employee stock options.
- Article 5-1 For issuance of employee stock options where the price is less than the closing price of the Company shares on the date of issuance, or where the price of the treasury stocks to be transferred to the employees is less than the average price of the repurchased shares, shareholders representing the majority of the issued shares shall be present and approval by at least 2/3 of the presenting shareholders

- shall be required.
- Article 6 The share certificates of the Company shall bear the shareholders' names, be signed or sealed by the director representing the Company, and legalized by the bank which is competent to certify shares under the laws before they are issued. When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time. Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities custodian institution.
- Article 7 Registration of share transfers shall be suspended for a 60-day period immediately prior to a regular meeting of the shareholders; for a 30-day period immediately prior to a special meeting of the shareholders; and for a 5-day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.
- Article 8 Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company promulgated by the competent regulatory authority.
- Chapter III Shareholders' Meeting
- Article 9 Shareholders' meetings shall be of two types: regular meeting and special meeting.  
The regular meeting of shareholders shall be convened within six months after close of each fiscal year, unless otherwise approved by the competent authority for good cause shown. Special meetings shall be convened when necessary in accordance with the relevant laws, rules and regulations.
- Article 9-1 The shareholders holding one percent (1%) or more of the total number of outstanding shares of the company may propose to the company a proposal for discussion upon written or email at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Any affair shall be handled in accordance with the Company Act and relevant regulations.
- Article 9-2 When the company plans to cancel the public offering of shares, a resolution of the shareholders meeting shall be submitted.
- Article 10 A shareholder is entitled to appoint a proxy to attend and vote on behalf of the shareholder at a shareholders' meeting by completing and submitting to the Company a form prescribed by the Company stating the scope of authorization. Unless otherwise provided by Article 177 of The Company Act, measures concerning use of proxy shall be governed by Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies Regulations promulgated by the competent regulatory authority.
- Article 11 Unless otherwise provided by the related laws and regulations, shareholders of the Company shall be entitled to one vote for each share held at the shareholders' meeting.

- Article 12 Unless otherwise provided by the relevant laws, rules and regulations, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half 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 13 Where a shareholders' meeting is convened by the Board of Directors, the chairman of the Board of Directors shall act as the chairman of the shareholders' meeting.  
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 vice chairman shall act on his behalf. In case there is no designation by the Chairman, the Directors shall designate one of the directors to act on his behalf. Where a shareholders' meeting is convened by a person with authority other than the Board of Directors, such convener shall act as the chairman of the shareholders' meeting. Where there are two (2) or more conveners, the chairman of the meeting shall be elected amongst such conveners.
- Article 14 Resolutions at a shareholders' meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman. The meeting minute shall be distributed to all the shareholders of the Company by public announcement made through the MOPS within 20 days after the shareholders' meeting.
- Chapter IV Directors , Audit Committee and Managerial Officers
- Article 15 There shall be 5 to 7 Directors of the Company. Among the directors, there shall be no less than 3 independent directors. The election of Directors and independent Directors is adopted by candidate nomination system. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The ratio of the total share held by all directors shall comply with the requirements of the governing agency of securities. The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.
- Article 15-1 The Board of Directors' meeting shall be convened the Chairman of the Board of Directors, upon written notice mailed to all the other Directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and its agenda. The notice of the Board meetings may be made and delivered by email or facsimile.  
The independent directors shall together constitute the Audit Committee. The Audit Committee shall exercise their powers and other relevant matters in accordance with the relevant laws, regulations of the Securities and Exchange Act.
- Article 16 If one third of the offices of the Directors become vacant, the Board shall convene a special meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies. The tenure of offices so filled shall be the balance of the term of the relevant offices.
- Article 17 The Chairman shall be elected respectively from amongst the Directors by a simple majority of the Directors present at the Board meetings attended by at least

two thirds of all the Directors, and if necessary, one of them may also elect from among themselves in the same manner as the Vice Chairman of the Board of Directors. The Chairman shall have the right to execute in the name and on behalf of the Company.

In his/her absence or unable to exercise his/her powers, any one of the Directors shall be acting for him/her according to Article 208 of the Company Act.

Article 18 Except as otherwise provided in the relevant laws or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting a general majority of the directors present vote in favor of such resolution.

Article 18-1 In case any of the directors cannot attend the meeting for any cause whatsoever, he/she may designate the other directors to act on his/her behalf and such agent shall present the proxy setting forth the vested power of the purpose of the meeting each time. However, each agent shall only accept one appointment from the directors.

Article 19 Regardless gain or loss of the financial status of the Company, the remuneration and compensation of the directors shall be determined by the Board of Directors based on the participation and the contribution of each director in the business operation of the Company without exceeding the Company's highest level.

Article 20 The Company shall have one (1) president and several executive vice presidents whose appointment, dismissal and remuneration shall be by Article 29 of Company Act hereof.

Chapter V Accounting

Article 21 At the end of each fiscal year, the Board of Directors shall prepare the related reports and proposals to be submitted to the Audit Committee 30 days prior to the regular shareholders' meeting for acknowledgement. The reports resolved by the Board of Directors shall be submitted to the regular shareholders' meeting for acceptance.

Article 22 In annual profit-making year, the Company should distribute no less than 5% of profit as employees' compensation, and not more than 3% of profit should be distributed as Directors' compensation. The Company should by a resolution adopted by a majority vote at a meeting of the Board of Directors, have the profit distributable as employees' compensation in the preceding paragraph distributed in the form of share or in cash; and report at the regular shareholders' meeting. However, that if the Company has any accumulated losses, an amount to offset should be reserved in advance and the abovementioned compensations will be made from the remaining profits.

Article 23 After the Company has paid all taxes due at the end of each fiscal year, the Company shall make up its accumulated losses and set aside ten percent (10 %) earning as a statutory revenue reserve before distribution of earnings, except when the accumulated amount of such legal reserve equals to the Company's total authorized capital.

The Company may also set aside or reverse special reserve(s) according to the relevant laws, rules and regulations.

The total amount of the remaining amount, along with the accumulated retained

earnings from the previous year, the Board of Directors may prepare a proposal to distribute such profit, and submit to the shareholders' meeting for approval. In consideration of the growth period of the Company and in conjunction with capital needs in future and long-term financial planning in addition to satisfaction to shareholders with respect to the needs of cash flow, it has been decided that cash dividend for distribution to shareholders as shareholder's dividend under the abovementioned shall not be lower than 10% of the total dividend. However, the type and ratio of the distribution can be adjusted according to the resolution of the regular shareholders' meeting, depending on the actual profit and capital status of the year.

Chapter VI Supplementary Provisions

Article 24 The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 25 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and the relevant laws, rules and regulations shall govern.

Article 26 These Articles of Incorporation are agreed to and signed on July 6, 1998 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on July 31, 1998 ;

The second Amendment on September 21, 1998 ;

The third Amendment on June 30, 1999 ;

The fourth Amendment on September 17, 1999 ;

The fifth Amendment on November 3, 1999 ;

The sixth Amendment on June 8, 2000 ;

The seventh Amendment on June 18, 2002 ;

The eighth Amendment on June 10, 2003 ;

The ninth Amendment on June 10, 2003 ;

The tenth Amendment on June 16, 2005 ;

The eleventh Amendment on June 6, 2006 ;

The twelfth Amendment on June 6, 2008 ;

The thirteenth Amendment on June 10, 2009 ;

The fourteenth Amendment on June 17, 2010 ;

The fifteenth Amendment on June 9, 2011 ;

The sixteenth Amendment on June 15, 2012 ;

The seventeenth Amendment on June 20, 2013 ;

The eighteenth Amendment on January 17, 2014 ;

The nineteenth Amendment on May 14, 2014 ;

The twentieth Amendment on May 19, 2016 ;

The twenty-first Amendment on May 16, 2019 ;

The twenty-second Amendment on May 18, 2023 ;

The twenty-three Amendment on May 29, 2024.