

**FSP TECHNOLOGY INC.**  
**ARTICLES OF INCORPORATION**

**Chapter I General**

Article 1 This company is incorporated under the Company Act, in the name of "FSP Technology Inc." (hereinafter the "Company").

Article 2 The scope of the Company's business activities includes the following:

- (1) CB01010 Machinery and Equipment Manufacturing
- (2) CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
- (3) CC01080 Electronic Parts and Components Manufacturing
- (4) CE01010 Precision Instruments Manufacturing
- (5) E603050 Cybernation Equipments Construction
- (6) EZ05010 Apparatus Installation Construction
- (7) F113030 Wholesale of Precision Instruments
- (8) F213040 Retail Sale of Precision Instruments
- (9) F401010 International Trade
- (10) CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- (11) F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- (12) ZZ99999 Except for the permitted business activities, the Company may engage in all business activities that are not banned or restricted by the laws and regulations.

Article 2-1 The Company may act as a guarantor.

Article 2-2 The Company may invest in other businesses and shall not be subject to the restriction imposed by Article 13 of the Company Act, whereby a company cannot invest in another company for more than forty percent of the Company's paid-up capital.

Article 3 The Company has established its headquarter in Taoyuan City, R.O.C., and may establish branches within or outside the territory of R.O.C. when necessary by a board resolution.

Article 4 (Delete)

**Chapter II Shares**

Article 5 The Company has an authorized capital of NT\$3,600,000,000 dollars, divided into 360,000,000 shares at NT\$10 dollars par value per share. For shares that are not issued, the Company hereby authorizes the Board of Directors to issue such shares in installments.

A total of NT\$100,000,000 dollars, divided into 10,000,000 shares at NT\$10 dollars par value per share from the aforementioned authorized capital shall be reserved for issuing stock option certificates, preferred shares with warrants or bond with warrants for the exercise of such rights.

Article 6 (Delete)

Article 7 The shares certificates of the Company shall be duly signed and sealed by a minimum of three directors and shall be issued after having been authenticated pursuant to the laws. The Company may issue shares without printing share certificates, provided, however, the said shares shall be registered with the Centralized Securities Depository Enterprises.

Article 8 Amendment and transfer of the shares shall be suspended within sixty days immediately before the regular shareholders' meeting, or thirty days immediately before the special shareholders' meeting, or five days before the date on which dividends and bonuses or other benefits are scheduled to be paid by the Company.

### **Chapter III Shareholders' Meeting**

Article 9 There are two types of shareholders' meeting: Regular shareholders' meeting shall be convened once a year within six months after the end of each fiscal year by the Board of Directors. Special shareholders' meeting shall be convened in accordance with the laws when necessary.

Article 9-1 Transfer of the Company's shares shall be made in accordance with "Regulations Governing the administration of Shareholder Services of Public Companies".

Article 10 Where a shareholder cannot attend the shareholders' meeting, he or she may execute a proxy printed by the Company specifying the scope of authorization and to appoint a representative to attend the meeting on his or her behalf.

Article 11 A shareholder shall have one voting right for each share owned in the Company. However, a shareholder shall not have voting right if an event prescribed under Article 179 of the Company Act occurs.

Article 12 Unless otherwise provided by the Company Act, a shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares and a shareholders' resolution shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. The meeting minutes shall be sent to the shareholders within twenty days after the close of the shareholders' meeting. The Company may distribute the shareholder meeting minutes by way of publication.

Article 12-1 When the Company holds the shareholders' meeting, the Company may adopt the electronic transmission as one of the methods for exercising the voting power.

A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. Its related matters shall be done in accordance with the laws.

## Chapter IV Directors

Article 13 The Company has five to thirteen directors, with a term of office for three years, who shall be elected from people with legal capacity at the shareholders' meeting and are eligible for re-election.

According to Article 14-2 of the Securities and Exchange Act, the number of the independent directors shall not be less than two in number and not be less than one-fifth of the total number of directors. The Company directors (including independent directors) shall be elected by the shareholders' meeting from among the nominees listed in the roster of director candidates in accordance with Article 192-1 of the Company Act. The matters for compliance with respect to independent directors shall be handled in accordance with the Company Act and the regulations of authority in charge of securities. .

The Company may purchase liability insurance for directors.

### Article 13-1

The Company establishes an audit committee pursuant to Article 14-4 of the Securities and Exchange Act; the audit committee shall provide the performance of supervisor's duties in accordance with the Securities and Exchange Act, the Company Act, and other laws and regulations.

Article 14 The Board of Directors meeting shall be attended by the directors. The chairman shall be elected by a majority of the attending directors, representing more than two third of the total number of directors on the board. The directors may elect a vice-chairman by the same method. The chairman shall represent the Company externally.

Article 14-1 A notice of the meeting shall set forth the agenda and be sent to each director by the person convening the board meeting at least seven days before the scheduled meeting. However, in case of emergency, a meeting may be convened at any time.

The Board of Directors meeting may be convened by written notice, by email or by facsimile.

Article 14-2 The Board of Directors may establish functional committees (and may engage outside experts or scholars as committee members). The rules regarding the functional committees' exercise of authority shall be enacted by the Board of Directors.

Article 15 In the event where the chairman is absent or cannot exercise its duties for any reasons, the vice-chairman shall exercise the chairman's duties on its behalf. If the Company does not have a vice-chairman or if the vice-chairman is absent or cannot exercise its duties for any reason, Article 205 and 208 of the Company Act shall govern. If any director is absent or cannot exercise its duties for any reason, Article 205 and 208 of the Company Act shall govern.

Article 16 The remuneration of directors of the Company shall be assessed by the Remuneration Committee and authorized by Board of Directors to determine it.

## **Chapter V Manager**

Article 17 The Company may have a general manager and several vice general managers assisting the general manager. The general manager shall manage the businesses of the Company under the direction of the Board of Directors. The appointment and discharge of the general manager shall be made in accordance with the law.

## **Chapter VI Accounting**

Article 18 At the end of each fiscal year, the Board of Directors shall prepare the following documents to be submitted for the shareholders' approval at the Regular meeting of the shareholders:

- (1) Business report;
- (2) Financial statements; and
- (3) Surplus earnings distribution or loss off-setting proposals and other statements submitted to the Regular shareholders' meeting in accordance with the law and make a request for recognition. .

Article 19 (Delete)

Article 20 If the Company makes profits for the current year, the Board of Directors shall resolve on allocation of at least 6% as the employee compensation and no more than 3% as the compensation for directors. However when the Company has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation.

The employee compensation of the preceding paragraph may be rewarded by shares or cash. The qualification requirements of employees, who are entitled to receive the abovementioned shares or cash, may include employees of subsidiaries of the Company that satisfy a certain qualification requirements. The rules regarding the distribution of employees' bonuses shall be specified by the authorized Board of Directors.

The compensation for directors shall be made by cash.

The first two items should be resolved by the Board of Directors and report to the shareholders' meeting

Article 20-1 (Delete)

Article 21 If, at the end of the fiscal year, there are surplus earnings, in addition to paying the taxes, the surplus earnings shall first be used to offset the Company's losses in previous years, then legal capital reserve at 10% of the remaining surplus shall be set aside. However when the legal reserve amounts to the authorized capital, this shall not apply. The Company may set aside a special capital reserve pursuant to the relevant laws and regulations and the Company's business needs. The Board of Directors shall propose a plan for the distribution of the remaining surplus and submit the said plan to the shareholders' meeting for approval to allocate shareholders' dividends and bonus.

Article 22 The Company's policy regarding the distribution of dividends shall take into account the

future capital budget of the Company and the capital needs of the Company, as well as the financial structure and surplus earnings. The distribution of the surplus earnings shall be proposed by the Board of Directors and shall be made upon the shareholders' resolution.

Since the Company is growing steadily, in an industry that tends to centralize, in order to maintain a steady expansion of business, for perpetual development and growth, the dividend policy will adopt the residual dividend policy. The future surplus earnings will be treated as stock dividends or cash dividends, depending on the Company's business situation, with the distribution of cash dividends not less than 5% of the shareholders bonus.

#### **Chapter VII Miscellaneous**

Article 23 All matters that are not provided for herein shall be subject to the Company Act.

Article 24 These Articles of Incorporation were enacted on April 8<sup>th</sup>, 1993.

The first amendment was made on January 20<sup>th</sup>, 1994,

the second amendment on October 9<sup>th</sup>, 1994,

the third amendment on August 9<sup>th</sup>, 1997,

the fourth amendment on October 28<sup>th</sup>, 1998,

the fifth amendment on June 15<sup>th</sup>, 1999,

the sixth amendment on June 15<sup>th</sup>, 2000,

the seventh amendment on June 16<sup>th</sup>, 2001,

the eighth amendment on June 22<sup>nd</sup>, 2002,

the ninth amendment on December 26<sup>th</sup>, 2003,

the tenth amendment on June 3<sup>rd</sup>, 2004,

the eleventh amendment on June 10<sup>th</sup>, 2005,

the twelfth amendment on June 14<sup>th</sup>, 2006,

the thirteenth amendment on June 15<sup>th</sup>, 2007,

the fourteenth amendment on June 13<sup>th</sup>, 2008,

the fifteenth amendment on June 10<sup>th</sup>, 2009,

the sixteenth amendment on June 17<sup>th</sup>, 2010,

the seventeenth amendment on June 15<sup>th</sup>, 2011,

the eighteenth amendment on June 18<sup>th</sup>, 2012,

the nineteenth amendment on June 10<sup>th</sup>, 2013.

the twentieth amendment on June 10<sup>th</sup>, 2015

the twenty-first amendment on June 8<sup>th</sup>, 2016

the twenty- second amendment on June 8<sup>th</sup>, 2017

**FSP Technology Inc. (Sealed)**

**President Mr. Allen Cheng**

(Sealed)