

## Articles of Incorporation

### **Chapter I    General Provisions**

**Article 1**     The Company shall be incorporated as a company limited by shares, under the Company Act of the Republic of China. The name of the Company shall be 台灣大哥大股份有限公司.

**Article 2**     The scope of business of the Company shall be:

1. F401021 Regulated Telecom Radio Frequency Equipment and Materials Import;
2. G901011 Type I Telecommunications Enterprise;
3. G902011 Type II Telecommunications Enterprise;
4. I301040 Third-Party Payment;
5. I301020 Data Processing Services;
6. J303010 Magazine and Periodical Publication;
7. J304010 Book Publishers;
8. J305010 Audio Tape and Record Publishers;
9. J399010 Software Publication;
10. J399990 Other Publishers Not Elsewhere Classified;
11. F108031 Wholesale of Drugs, Medical Goods;
12. F208031 Retail Sale of Medical Equipments;
13. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.

**Article 3**     The Company may act as a guarantor where necessary for the purpose of carrying out its business.

**Article 4**     The Company shall have its registered head office in Taipei, Taiwan, Republic of China and shall, where necessary and with a resolution to do so by the Board of Directors (“Board”), set up branch offices either within or outside the territory of the Republic of China.

**Article 5** (Deleted)

**Article 6**     The Company’s aggregate investment may exceed forty percent of its paid-up capital.

## **Chapter II Capital Stock**

**Article 7** The total registered capital stock of the Company shall be Sixty Billion New Taiwan Dollars (NT\$60,000,000,000), divided into Six Billion (6,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. Any unissued shares shall be issued, where necessary, upon the approval of the Board.

Two hundred and fifty million shares of the above total capital stock of the Company with a par value of Ten New Taiwan Dollars (NT\$10) per share shall be retained for the issuance of employee stock options, which may be issued from time to time upon the approval of the Board.

**Article 7-1** (Deleted)

**Article 7-2** The Company may, upon the approval at a shareholders' meeting which is attended by shareholders holding at least 50% of the issued capital stock, by more than two-thirds of the shareholders attending the meeting, transfer the treasury shares to its employees at a price lower than the average buyback price.

**Article 8** Share certificates of the Company shall be issued only if they bear the names of the shareholders, be appropriately serial numbered, be signed by or affixed with the personal seals of three or more Directors of the Company, and be duly signed and authenticated by the responsible authority or a share registry endorsed by the regulatory authority. The Company is exempted from issuing any physical share certificates for the shares issued. A physical share certificate may be issued for all the new shares issued at a particular point in time, provided that the share certificate shall be placed in custody or for registration with a centralized depository.

**Article 9** Shareholders shall provide their names, addresses, and specimens of their personal seals to the Company for record. The same shall also be provided upon variation of any of the above details. Where any personal seals of the shareholders are lost, the specimens of the personal seals shall only be replaced with new specimens if the shareholders report the loss to the Company.

**Article 10** Upon transfer of shares, the transferor and transferee shall complete an application for registration of the transfer and affix their personal seals on the application. The application and the associated share certificates, affixed with the personal seals of the transferor and transferee on the back page, together with other documents evidencing the transfer, shall be submitted to the Company for the purpose of registration of the transfer. The transferee shall not have a right of action against the Company with respect to matters associated with or arising from the transfer if the name of the transferee is not recorded on the share certificates and the name and

address of the transferee are not entered onto the register of shareholders of the Company.

**Article 11** Where a share certificate is lost, the shareholder shall immediately file an application to report the loss and submit the same to the Company for audit and record. The shareholder shall also apply to the competent court for a judgment declaring the original share certificate invalid, in accordance with the procedures for public announcement of invalidation of a certificate under the Code of Civil Procedures. After obtaining the judgment from the court, the shareholder shall apply to the Company for the share certificate to be reissued, with the original copy of the aforementioned court judgment. Where a share certificate is worn out or defaced and the shareholder wishes to apply for a replacement of the share certificate, the shareholder shall apply to the Company for the replacement by submitting to the Company the original copy of the share certificate with a completed application for replacement of share certificate.

**Article 12** The Company shall charge for administrative fees and stamp duties for the reissue of share certificates due to loss of the original share certificates or for other reasons.

**Article 13** Registration of share transfers shall be suspended for a 60-day period immediately prior to a general meeting of the shareholders; for a 30-day period immediately prior to an extraordinary 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 14** Shareholders shall submit specimens of their personal seals to the Company for record. The same personal seals shall be used by the shareholders for the purposes of claiming their dividends and when exercising their rights as shareholders via written documents.

### **Chapter III Shareholders' Meetings**

**Article 15** There are two types of shareholders' meetings, the general meetings and the extraordinary meetings.

- (1) General Meetings – General meetings shall be held within 6 months of the end of each fiscal year, and shall be convened by the Board by no less than 30 days' prior notice to the shareholders.
- (2) Extraordinary Meetings – Extraordinary meetings shall be convened in accordance with the relevant laws, by no less than 15 days' prior notice to the shareholders.

**Article 16** 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.

**Article 17** The Chairman or, in his absence, the Vice Chairman, shall preside as the chairman of the shareholders' meetings of the Company. If neither the Chairman nor the Vice Chairman shall be present at the meetings, the Chairman shall designate one of the Directors as the chairman, failing which, the Directors present at the meetings shall elect the chairman from amongst themselves.

**Article 18** Except under the circumstances set forth in Article 179 of the Company Act, shareholders of the Company shall be entitled to one vote for each share held at the shareholders' meeting.

**Article 18-1** Shareholders may exercise their voting rights in written or electronic forms at the shareholders' meetings.

**Article 19** Unless otherwise provided by the Company Act, all resolutions of a shareholders meeting of the Company shall be passed, at a meeting attended by shareholders holding at least 50% of the issued capital stock, by more than 50% of the shareholders attending the meeting.

**Article 20** 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 within 20 days after the shareholders' meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

#### **Chapter IV Directors**

**Article 21** There shall be 9 to 11 Directors of the Company. Directors shall be persons with legal capacity and shall be elected by the shareholders at the shareholders' meeting. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The election of Directors is adopted by candidate nomination system per Article 192-1 of the Company Act. Not more than half of the Directors of the Company shall have the following relationships among them:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

The Chairman and the Vice Chairman shall be elected 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.

The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

**Article 21-1** According to Article 14-2 of the Securities and Exchange Act, among the directors, there shall be no less than 3 independent directors. The independent directors shall together constitute the Audit Committee and replace the role of the supervisors.

**Article 22** If one third of the offices of the Directors become vacant, the Board shall convene an extraordinary 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 23** If any new Directors are not elected in time before the expiration of the tenure of the relevant existing offices of the Directors, the tenure of the existing offices shall be extended until such time when the new Directors duly elected to assume their offices.

**Article 24** The business policy and other imperative matters of the Company shall be determined by the Board. The Board shall be entitled to form different functional committees, and determine the duties and responsibilities of the committees. Except for the first meeting of each term of the Board which shall be convened by the Director who received a ballot representing the largest number of votes at the election of Directors, Board meetings shall be convened by the Chairman, who shall also be the chairman of the meetings. If the Chairman is unable to perform his duties for any reasons, the Vice Chairman shall act on his behalf. If the Vice Chairman is also absent from the meetings, the Chairman shall designate one of the Directors to act on his behalf, failing which, the Directors present at the meetings shall elect a person from amongst themselves to act on behalf of the Chairman.

The notice of the Board meetings may be made and delivered by letter, email or facsimile.

**Article 25** Unless otherwise provided for in the Company Act, all resolutions of the Board shall be passed by a simple majority of the Directors present at the Board meetings attended by at least 50% of all the Directors. If a Director is unable to attend the meeting, he shall be entitled to authorize another Director to represent him at the meeting by executing a power of attorney stating therein the scope of authorization with respect to each matter proposed to be dealt with at the meeting, however, a

Director attending the meeting shall not be authorized to represent more than one absent Directors at the meeting. If any Director attends the Board meeting by video conference, it is deemed that such Director has participated in person.

**Article 26** All proceedings at a Board meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman of the meeting. The meeting minute shall be distributed to all Directors of the Company within 20 days after the Board meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

**Article 27** The Audit Committee shall exercise their powers and other relevant matters in accordance with the relevant laws, regulations or the Company's Articles of Incorporation.

**Article 27-1** (Deleted)

**Article 27-2** (Deleted)

**Article 27-3** The Board is authorized to decide the compensation to directors (including independent directors), according to his/her contribution to the operation and involvement in the operation of the Company, comparable to peer's levels, transportation and other allowance included.

## **Chapter V Managers and Officers**

**Article 28** There shall be several Presidents and Vice Presidents of the Company. The President shall be nominated by the Chairman; and his/her appointment or removal shall be approved by more than 50% of the Directors. The Vice Presidents shall be nominated by the President; and their appointment or removal shall be approved by more than 50% of the Directors.

**Article 29** The Company may, by resolution of the Board, retain consultants or key officers.

**Article 29-1** The Company shall purchase liability insurance for key management based on their duties and terms.

## **Chapter VI Financial Reports**

**Article 30** The fiscal year of the Company shall begin on 1 January and end on 31 December of each year. The Board shall prepare the following reports after the end of each fiscal year, and present to the shareholders at the general meeting of the shareholders for their ratifications in accordance with the legal procedure:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal for distribution of earnings to shareholders or recovery of prior year losses.

**Article 30-1** If the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 0.3% of the profits as director compensation. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate for the employee bonuses and director compensation proportionally from the remaining amount. Qualification requirements of employees entitled to receive shares or cash set for in the above paragraph shall be applied to the employees of subsidiaries who meet certain requirements.

**Article 31** In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, offset losses, set aside for legal reserve pursuant to laws and regulations, unless the legal reserve has reached the Company's total paid-up capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a shareholders' meeting.

**Article 31-1** The Company adopts a dividend distribution policy whereby only surplus profits of the Company shall be distributed to shareholders. That is, only the surplus profits, after setting aside amounts for retained earnings based on the Company's capital budget plan, shall be distributed as cash dividend. The value of stock dividend in a particular year shall not be more than 80% of the value of dividend distributed for that year. The amount of the distributable dividend, the forms in which dividend shall be distributed and the ratios thereto, shall depend on the actual profits and cash positions of the Company and shall be approved by resolutions of the Board, who shall, upon such approval, recommend the same to the shareholders for approval by resolution at the shareholders' meetings.

**Article 32** The internal organization and the detailed procedures relevant to the business

operation of the Company shall be separately determined by the Board.

**Article 33** Matters not specifically provided for in these Articles of Incorporation shall be governed by the Company Act and any other relevant laws.

**Article 34** The Articles of Incorporation were agreed to and signed on January 30, 1997.  
The first amendment was made on February 18, 1997.  
The second amendment was made on February 22, 1997.  
The third amendment was made on April 2, 1997.  
The fourth amendment was made on August 30, 1997.  
The fifth amendment was made on December 12, 1997.  
The sixth amendment was made on March 21, 1998.  
The seventh amendment was made on June 23, 1998.  
The eighth amendment was made on February 3, 1999.  
The ninth amendment was made on June 22, 1999.  
The tenth amendment was made on March 6, 2000.  
The eleventh amendment was made on March 30, 2001.  
The twelfth amendment was made on March 30, 2001.  
The thirteenth amendment was made on April 26, 2002.  
The fourteenth amendment was made on June 25, 2003.  
The fifteenth amendment was made on June 15, 2004.  
The sixteenth amendment was made on June 14, 2005.  
The seventeenth amendment was made on June 15, 2006.  
The eighteenth amendment was made on June 15, 2007, except for the Article 7-2, which shall be effective on January 1, 2008  
The nineteenth amendment was made on June 13, 2008.  
The twentieth amendment was made on June 19, 2009.  
The twenty-first amendment was made on June 15, 2011.  
The twenty-second amendment was made on June 22, 2012.  
The twenty- third amendment was made on June 21, 2013.  
The twenty- fourth amendment was made on 12, June 2014.  
The twenty- fifth amendment was made on 15, June 2016.  
The twenty- sixth amendment was made on 14, June 2017.