

# Qisda Corporation

## 2024 Extraordinary Shareholders' Meeting

Time: March 14, 2024

Place: No.300, Sec. 1, Zhuangjing Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)  
Monarch Plaza Hotel

Method of Convening the Meeting: Physical shareholders' meeting

### Agenda

#### I. Report Items

- (1) Report that the Board of Directors resolved that the Company issues the letters of undertakings for subsidiary BenQ BM Holding Cayman Corp. listing on the Main Board of the Stock Exchange of Hong Kong Limited..... 02

#### II. Discussion Items

- (1) The Company's subsidiary BenQ BM Holding Cayman Corp. applies for listing on the Main Board of the Stock Exchange of Hong Kong Limited ..... 04

#### III. Extraordinary Motions..... 05

#### IV. Meeting Adjourned ..... 05

### Appendices

1. Rules and Procedures for Shareholders' Meeting ..... 06
2. Articles of Incorporation ..... 09
3. Shareholding of Directors..... 13

## I. Report Items

### 1. Report that the Board of Directors resolved that the Company issues the letters of undertakings for subsidiary BenQ BM Holding Cayman Corp. listing on the Main Board of the Stock Exchange of Hong Kong Limited.

- (1) The Company's subsidiary BenQ BM Holding Cayman Corp. (referred to as "BBHC" or the "Issuer") plans to apply for listing on the Main Board of the Stock Exchange of Hong Kong Limited (referred to as "SEHK") for the initial public offering. In order to further protect investor interests, as the controlling shareholder of the Issuer, along with BenQ Corporation, Daryl Venture Inc., Daryl2 Venture Inc. and Daryl Venture (L) Ltd. (each, a "Subsidiary" and collectively referred to as the "Subsidiaries") as other shareholders of the Issuer, issue undertakings in accordance with the regulations of the Securities and Futures Commission of Hong Kong ("SFC"), China Securities Regulatory Commission ("CSRC"), and SEHK. The following are the contents of the letters of undertakings that may have material impact on the financials, business or shareholders' equity of the Company or the Subsidiaries.

(a) Restriction on the Sale of Issuer's Shares by the Company and the Subsidiaries:

The Company and the Subsidiaries undertake, except as disclosed in the prospectus or pursuant to global offering or over-allotment option, in the period commencing on the date by reference to which disclosure of the shareholding is made by the Company or the Subsidiaries (as applicable) in the prospectus and ending on the date which is six months from the date on which dealings in the shares of the Issuer commence on the SEHK (referred to as the "First Lock-up Period"), not to sell, nor enter into any agreements to sell or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares in respect of which they are beneficial owners; in the period of six months commencing from the expiry of the First Lock-up Period (referred to as the "Second Lock-up Period"), not to sell, nor enter into any agreement to sell or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares if they would cease to be controlling shareholders as defined in the Listing Rules. Overall, this undertaking has no material impact on the financial, business, or shareholders' equity of the Company and the Subsidiaries.

(b) Notification Obligation regarding Pledge over Issuer's Shares created by the Company and the Subsidiaries:

The Company and the Subsidiaries undertake to promptly notify the Issuer during both the First Lock-up Period and the Second Lock-up Periods if, for a bona fide commercial loan, they pledge any shares beneficially owned by them in favor of an authorized institution (as defined by the Banking Ordinance (Chapter 155 of the laws of Hong Kong)) or receive indications from the pledgee of the pledged shares intending to exercise their rights. Overall, this undertaking has no material impact on the financial, business, or shareholders' equity of the Company and the Subsidiaries.

(c) Undertaking by the Issuer to Comply with SEHK Listing Rules:

The Issuer undertakes to comply with the SEHK Listing Rules regarding the submission, correction, declaration, and announcement of application documents, as well as to comply with the rules so long as the shares are listed. Overall, this undertaking has no material impact on the financial, business, or shareholders' equity of the Company and the Subsidiaries.

(d) Undertaking by the Issuer to Comply with the CSRC Overseas Issuance and Listing Filing Requirements:

The Issuer represents that the information submitted to the CSRC for filing of overseas issuance and listing is true, accurate and complete, not containing a false statement or misrepresenting or omitting a material fact. The Issuer also undertakes to comply with national laws and regulations of Mainland China and the "Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises", and ensure that information provided to overseas regulatory authorities does not violate national security of Mainland China, harm national or public interests, or disclose nation secrets. Any violation will result in corresponding legal responsibilities. Overall, this undertaking has no material impact on the financial, business, or shareholders' equity of the Company and the Subsidiaries.

(e) Undertaking by the Issuer not to Issue Shares or Securities Convertible into Equity:

The Issuer undertakes, except as required by global offering, over-allotment option, or Rule 10.08 of the SEHK Listing Rules, not to issue any shares or securities convertible into equity securities (whether or not of listed shares or listed securities) or enter into agreements to such issue within six months from the commencement of dealing of the Issuer's shares on the SEHK (whether or not such issue will be completed within six months from the commencement of dealing). Overall, this undertaking has no material impact on the financial, business, or shareholders' equity of the Company and the Subsidiaries.

(2) The undertakings made by the Company in connection with the listing are summarized as follows:

(a) Restriction on the Sale of Issuer's Shares

Refer to the details outlined in point 1 (a) above.

(b) Notification Obligation regarding Pledge of Issuer's Shares

Refer to the details outlined in point 1 (b) above.

(3) The undertakings made by the Subsidiaries in connection with the listing are summarized as follows:

(a) Restriction on the Sale of Issuer's Shares

Refer to the details outlined in point 1 (a) above.

(b) Notification Obligation regarding Pledge of Issuer's Shares

Refer to the details outlined in point 1 (b) above.

(4) The undertakings made by the Issuer in connection with the listing are summarized as follows:

(a) Undertaking to Comply with Relevant Provisions of the Hong Kong Listing Rules

Refer to the details outlined in point 1 (c) above.

(b) Undertaking by the Issuer to Comply with CSRC Overseas Issuance and Listing Filing Requirements

Refer to the details outlined in point 1 (d) above.

(c) Undertaking by the Issuer not to Issue Shares or Securities Convertible into Equity

Refer to the details outlined in point 1 (e) above.

(5) The Company's board of director had resolved that the Company, the Subsidiaries, and BBHC issue the letters of undertakings for the subsidiary BBHC listing on the SEHK with the description (1)~(4) on January 18, 2024.

## II. Discussion Items

### 1. The Company's subsidiary BenQ BM Holding Cayman Corp. applies for listing on the Main Board of the Stock Exchange of Hong Kong Limited (Proposed by the Board of Directors)

#### Explanation:

- (1) Purpose of applying for listing and trading in an overseas securities market: To expand the group's medical services business, increase revenue, and achieve profit growth, the Company's subsidiary, BBHC, is applying for listing on the Main Board of the Stock Exchange of Hong Kong Limited (referred to as "SEHK") for the initial public offering.
- (2) Impact on the finance and business of the Company due to apply for listing and trading in an overseas securities market:

#### A. Impact on the finance:

- (a) If BBHC successfully lists on the SEHK, it will be able to raise funds through various financing channels, which will enhance its working capital and optimize the financial structure. This enables further expansion of hospital facilities, such as increasing the number of beds and introducing specialized medical teams and equipment. It will be favorable for the Group's increase in revenue and profits, so as to pursue the best interests of shareholders.
- (b) Although the Company's stake in BBHC will be diluted due to BBHC's listing, the Company will maintain control over BBHC from an equity structure perspective and continue to include it in the Company's consolidated financial statements as a subsidiary. The shares listing plan involves issuing new shares through public offering and does not involve transferring existing shares held by the Company. This approach does not result in gains or losses for the Company but contributes to an increase in the Company's shareholders' equity. Therefore, BBHC's listing on the SEHK has no adverse impact on the Company's financials and brings positive benefits.

B. Impact on the business: BBHC's public offering in the listing will enhance its visibility in the industry, attract outstanding talents, increase the number of beds and expand specialized medical teams.

C. Proposed changes in the organizational structure and business: Currently, there is no specific adjustment plan.

In summary, the listing on SEHK is expected to have a positive impact on our company's long-term stability and development.

- (3) Method of shareholding dispersal and proposed percentage of shareholding or contributions reduction:

The par value of the new shares to be issued by BBHC for the listing is tentatively set as USD 1 per share. The number of shares issued at this time is expected to account for 10% - 25% of the total share capital of BBHC on a fully diluted basis, potentially reducing the Company's shareholding by 9.5% - 23.75%. However, the final number of the shares to be issued for listing and the consequent dilution in shareholding ratio will be determined by BBHC and the lead underwriter based on relevant laws and regulations of the place of listing, funding requirements, communications with regulatory agencies of Mainland China and Hong Kong and market conditions. Before BBHC's share dispersal for listing, an independent expert will be appointed to issue an opinion on the reasonableness of the number of shares to be released and price and the impact on the Company's shareholders equity. The expert's opinion will be submitted to the Audit Committee of the Company for review before being presented to the Board of Directors for discussion.

- (4) Basis of price determination:

The issuance price will be determined after taking into account the interests of existing shareholders, investor acceptance and issuance risks, following international practice based

on the domestic and international capital market conditions at the time of issuance, the general valuation levels of the industry, market subscription conditions and the results from the roadshows and book-building process, and will be jointly determined by the lead underwriters and the Board of Directors or its authorized person as authorized by the shareholders meeting.

- (5) Parties to whom equities (or contributions) are to be assigned or specified persons being contacted:

In accordance with the relevant laws and regulations of the place of listing, the counterparties of the new shares to be issued in the listing are the inquiry objects that conform to the laws and regulations of the place of listing as well as the regulations of the regulatory authority, qualified domestic natural persons and legal persons, and other investors that conform to the regulations of the SEHK, Securities and Futures Commission and the China Securities Regulatory Commission.

- (6) Any effect on the ongoing listing of the listed company:

BBHC's application for listing on the SEHK complies with relevant laws and regulations, and the Company will retain control over BBHC, ensuring the interests of the Company's existing shareholders are fully protected. It will not affect the Company's ongoing listing on the Taiwan Stock Exchange.

- (7) If the shareholders meeting approves it, in order to meet the needs of BBHC's application for listing on the SEHK, it is proposed that the shareholders meeting authorizes the Board of Directors or the person authorized by the Board of Directors, and/or the board of directors of the subsidiary, BBHC, or the person it authorizes to make adjustments based on the implementation of the listing plan, comments from the relevant governmental authorities, the laws and regulations of Taiwan and the place of listing, market conditions, or then current situation as appropriate, to handle all matters relevant to the issuance and listing with full authority, including but not limited to appointing professional advisors, determining the terms of the issuance, duration of issuance, number of shares issued, counterparties of issuance, methods of issuance, pricing method, issue price (including the price range and final pricing), issuance record date, whether to implement strategic allotment (cornerstone), purpose of the funds raised by the offering, issuance of letters of undertakings, confirmation letters, and relevant listing application documents of the issuance and listing, responding to inquiries from relevant regulatory authorities regarding relevant listing applications, as well as handling all other matters relevant to the issuance and listing.

However, in case of matters involving a conflict of interest with the Company or matters that should be resolved by the Board of Directors of the Company in accordance with laws and regulations, such matters will be resolved by the Board of Directors of the Company. If the aforementioned number of shares issued is subject to a separate resolution in accordance with Taiwan regulations, the Company will handle such matters in accordance with relevant regulations.

- (8) BBHC's plan to apply for the initial public offering and listing on the SEHK is driven by long-term development considerations. However, it has not yet submitted the application documents and there are still uncertainties and unpredictability in the timing of the submission and the length of the review process.

Resolution:

### **III. Extraordinary Motions**

### **IV. Meeting Adjourn**

## **Rules and Procedures for Shareholders' Meeting**

Enacted on May 15, 1990

The 1st amendment was made on June 19, 1993.

The 2nd amendment was made on April 16, 1998.

The 3rd amendment was made on May 29, 2023.

1. Qisda Corporation (the "Company") shall convene the shareholders' meeting in accordance with these Rules of Procedures (the "Rules")
  2. Shareholders or their proxies attending the shareholders' meeting (the "Meeting") shall submit the attendance card for the purpose of signing in. The number of shares represented by shareholders or their proxies attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders or their proxies plus the number of shares exercised by correspondence or electronic means.
  3. The attendance and the voting shall be calculated based on the number of shares represented by the shareholders attending the shareholders' meeting.
  4. The venue for a shareholders meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders meeting.
  5. The Chairman of the Company shall preside as the chairperson at a shareholders' meeting if the meeting is convened by the Board of the Directors of the Company. In the situation where the Chairman is on leave or unavailable to perform his or her duty and power for any cause, the Vice Chairman of the Company shall act as the chairperson for the meeting. In the situation where there is no vice chairman or the Vice Chairman of the Company is on leave or unavailable to perform his or her duty and power for any cause, the Chairman shall designate a Managing Director to act as the chairperson on his or her behalf. In the situation where there is no managing director, the Chairman shall designate one Director from the Board of Directors to act as the chairperson for the meeting. In the absence of such designation, the Managing Directors or Directors of the Board shall elect one from among themselves an acting chairperson for the shareholders' meeting.  
Where the shareholders' meeting is convened by a person who is entitled to convene the meeting but is not a member of the Board of Directors, such person shall perform the duty as the chairperson for the shareholders' meeting. In the situation where there are two or more people who are entitled to convene the meeting, a chairperson shall be elected from among themselves.
- 5-1. To convene a virtual shareholders meeting, the Corporation shall include the follow particulars in the shareholders meeting notice:
- (1) How shareholders attend the virtual meeting and exercise their rights.
  - (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
    - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
    - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
    - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

- (3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified.
6. The Company may appoint its lawyers, accountants or any other people relevant to the meeting to be present at the shareholders' meeting.  
The supporting staff for the proceeding of a shareholders' meeting shall wear an identification badge or armband.
7. The Corporation shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting, and the recorded materials of the preceding paragraph shall be retained for at least one year.  
Where a shareholders meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The audio and video recording shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
8. The chairperson of a shareholders' meeting shall call the meeting to order at the time when the meeting is scheduled to commence. If the number of shares represented by the attending shareholders has not yet constituted more than an aggregate of one-half of the total outstanding shares issued, the chairperson may postpone the time for the meeting. The postponements shall only reach two times at most, and the meeting shall not be postponed for more than one hour in total. If after two postponements the shares represented by attending shareholders has not reached the quorum but has constituted more than one third of the total of outstanding shares issued, a tentative resolution may be passed in accordance with the Article 175-1 of the Company Act. Before the end of such meeting, if the shares represented by the attending shareholders has constituted more than one half of the total of outstanding shares issued, the chairperson may bring the already passed resolution for voting again in accordance with the Article 174 of the Company Act.
9. The agenda of a shareholders' meeting shall be established by the Board of Directors if the meeting is convened by the Board of Directors of the Company. Unless otherwise approved in the shareholders' meeting, the meeting shall proceed in accordance with the pre-arranged agenda.  
The preceding paragraph applies in the situation where a shareholders' meeting is convened by a person, other than a member of the Board of Directors, entitled to convene such a meeting.  
Unless otherwise resolved at the shareholders' meeting, the chairperson shall not announce adjournment until the agenda prescribed in the preceding two paragraphs (including extraordinary motions) are resolved.  
After the meeting is adjourned, shareholders shall not elect a chairperson and resume the meeting at the same or another venue.  
In the situation where the chairperson adjourns the meeting in violation of the Rules, a new chairperson may be elected by more than half of the votes from the shares represented by the attending shareholders so that the meeting is able to be continued.
10. When a shareholder attending a shareholders' meeting wishes to speak, he or she should fill out a speech note with a summary of the speech, shareholder's account number (or the number of attendance card) and the account name of the shareholder in advance. The sequence of speeches shall be determined by the chairperson.  
If any attending shareholder at the shareholders' meeting submits a speech note but does not speak, no speech shall be deemed to have been made by such shareholder. In case content of the speech of a shareholder are inconsistent with the content of the speech note, the content of actual speech shall be considered.  
The speech of a shareholder shall remain concrete, clear, and relevant to the agenda otherwise the chairperson may stop the speech of such shareholder.  
Unless otherwise permitted by the chairperson and the speaking shareholder, no shareholder shall interrupt the speech of other shareholders. The chairperson shall stop such interruption.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.  
Shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.
12. A corporate shareholder should only appoint one person as its representative to attend a shareholders' meeting.  
In the situation where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, an appointment letter shall be provided and only one representative can speak for each agenda item.
13. After the speech of a shareholder, the chairperson may make responses by him or herself or appoint an appropriate person to respond.
14. The chairperson may announce end of discussion of an item listed in the agenda and submit the item for voting if the chairperson deems that the item is ready for voting.
15. With respect to the voting of each proposal, the people who conduct ballot examination and counting shall be designated by the chairperson. At the same time, the ballot examiners also have to be shareholders.  
The result of each vote shall be announced at the meeting immediately and shall be recorded into the minute.
16. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, if there is no objection after consultation by the chairman, it is deemed to be passed, and its effect is the same as voting by ballot.  
When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.  
In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
17. In the case of an amendment or alternative to an original proposal, the chairperson shall decide on the order of voting together with the original proposal. However, if one of such proposals has been approved, the others shall be deemed overruled and no further vote is required.
18. The chairperson may request picketers (or security guards) to assist in maintaining the order at the meeting venue. Members of the picket (or security guards) shall wear armbands with the word "Picket" when maintaining the order at the meeting venue.
19. In case of incident due to force majeure, the chair may rule the meeting temporarily suspended or resume the meeting at another venue.
20. Matters not stipulated in the rules shall be handled in accordance with the provisions of the Company Act, the Articles of Incorporation of the Company, and any other related acts.
21. The Rules and any amendment shall take effect after being approved at the shareholders' meeting.



## Articles of Incorporation

### Chapter 1 General Provisions

- Article 1 The Company is organized in accordance with the Company Act of R.O.C. and named Qisda Corporation (the "Company"). The Company Name in English shall be Qisda Corporation.
- Article 2 The lines of business of the Company shall include the following:
- 1 、CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
  - 2 、CC01110 Computers and Computing Peripheral Equipment Manufacturing
  - 3 、CC01070 Telecommunication Equipment and Apparatus Manufacturing
  - 4 、CC01101 Retrained Telecom Radio Frequency Equipment and Materials Manufacturing
  - 5 、CC01040 Lighting Facilities Manufacturing
  - 6 、CF01011 Medical Materials and Equipment Manufacturing
  - 7 、F108031 Wholesale of Drugs, Medical Goods
  - 8 、F208031 Retail Sale of Medical Equipment
  - 9 、F401010 International Trade
  - 10 、CB01010 Mechanical Equipment Manufacturing
  - 11 、CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
  - 12 、CD01060 Aircraft and Parts Manufacturing
  - 13 、ZZ99999 All business items that are not prohibited or restricted by law, except those are subject to special approval
- Article 3 The head office of the Company is located in Taoyuan, Taiwan. The Company may, as approved by the resolution of the Board of Directors, set up branch offices or factories in compliance with applicable laws and regulations in Taiwan or abroad when necessary.
- Article 4 The Company may, in line with its business needs, provide guarantees externally.  
The total amount of the Company's investment is not subject to the restriction of Article 13 of the Company Act.

### Chapter 2 Shares

- Article 5 The total capital of the Company is Fifty Billion New Taiwan Dollars (NT\$50,000,000,000), divided into Five Billion (5,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) each. The Board of Directors is authorized to issue in installments.  
The Company may issue preferred shares amount the above total capital and a total of 200,000,000 shares among the above total capital stock should be reserved for issuing employee stock options. The Company may issue employee stock options at a price that is lower than the market price or the Company may transfer treasury stock to employees at a price that is lower than the average actual share repurchase price pursuant to a resolution approved by the majority (at least 50%) of total issued shares represented at the shareholders' meeting and the consent of more than two-thirds of the attending shareholders' voting rights.
- Article 5-1 (Cancel)
- Article 5-2 Regarding the Shares purchased by the Company pursuant to Securities and Exchange Act, the transferee shall include certain qualified employees of the Company's Subsidiaries. The recipients of employee stock warrants of the Company shall include certain qualified employees of the Company's Subsidiaries.  
In the issuance of new shares by the Company, the recipients of new shares for subscription shall include certain qualified employees of the Company's Subsidiaries.  
In the issuance of restricted employee stock by the Company, the recipients of such shares shall include certain qualified employees of the Company's Subsidiaries.
- Article 5-3 The rights and obligations of the Company's preferred share and related issuing conditions are as follows:
1. If after the annual closing of books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate legal reserve and recognize or reverse special reserve return earnings in accordance with Article 16-1 of the Company's Articles of Incorporation and applicable laws and regulations. If there is a residual amount after provisions are set aside, the residual shall be distributed as the year's dividend for preferred share first.
  2. Dividend on preferred share is limited to an annual rate of 8%, calculated based on the issuing price of each share. The dividend can be issued in a cash lump sum each year. After the annual shareholders' meeting recognizes the financial report and earnings distribution, the board of directors shall set a benchmark date to issue the previous year's dividend. The issuing of the issuing year and the recovery year dividend is based on the

calculation of the current year's actual issuing days. The issuing date is defined as the benchmark date to issue the preferred share.

3. The Company's preferred share dividend distribution has autonomous discretion. If this Company's annual final account shows no earnings or the earnings are insufficient for distribution, the preferred share dividend or others must be considered. If the shareholder's meeting decides not to distribute preferred share dividend, this is not a violation of the contract. If the issued preferred share is of the non-cumulative type, and the resolution is not to distribution or to distribute insufficient dividend, this is not accumulated as deferred payment in future earnings years.
4. In addition to receiving dividend described in Item one, the holder of preferred share shall not participate in the distribution of common share earnings, capital reserve for cash, and capitalization.
5. The holder of this Company's preferred share has priority over holders of common share in the distribution of this Company's remaining asset. Holders of preferred share also have the same payment priority sequence as the holder of other preferred share issued by the Company, and are only second to ordinary creditors. However, this is limited to the amount calculated based on the number of circulating preferred share and the issuing price.
6. The holders of preferred share do not have voting or election rights in the shareholder's meeting. However, holders of preferred share have voting rights in the preferred share shareholder's meeting and regarding issues in the shareholders' meeting that is related to the rights and obligations of preferred shareholders.
7. Preferred share cannot be converted to common share.
8. Preferred share has no expiration date. Holders of preferred stock cannot request this Company to buy back their preferred share. However, the Company can buy back part or all preferred share on the following day of the five-year anniversary of the issuing based on the actual issuing price. The unrecovered preferred share will continue to have the aforementioned issuing conditions and rights and obligations. If the Company decides to issue dividend for the current year, the dividend that should be issued up to the recovery date shall be calculated according to the current year's actual number of issuing days.
9. The paid-in-capital that the preferred share premium is issued from shall not be used for capitalization during the preferred share issuing period other than to make up for losses.
10. The Board is authorized to determine the name, issuance date and terms of the preferred share in accordance with market conditions and investors' expectation, in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

Article 6 The Company may, pursuant to the applicable laws and regulations, deliver shares or other securities in book-entry form, instead of delivering physical certificates evidencing shares or other securities.

Article 7 Registration for transfer of shares shall be suspended for a period of sixty days before the convention of an annual general meeting of shareholders, thirty days before an extraordinary general meeting of shareholders, or within five days before the base date on which the dividends, bonuses, or other interests to be paid out by the Company.

### **Chapter 3 Shareholders' Meetings**

Article 8 Shareholders' meeting shall be of two types, namely the annual and extraordinary general meeting of shareholders, with the former convened by the Board of Directors, in accordance with the law, regularly once a year within six months after the close of each fiscal year, and the later convened, in accordance with the law, when necessary.

The preferred shareholders' meeting may be convened when it deemed necessary in accordance with applicable laws and regulations.

The company's shareholders' meeting is held, it may be held by means of visual communication network or other methods promulgated by the central competent authority

Article 9 Unless otherwise provided in applicable law and regulations, a resolution shall be adopted at a meeting attended by the shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the attending shareholders shall vote in favor of the resolution. In case a shareholder is unable to attend a shareholders' meeting, such shareholder may issue a proxy in the form issued by the Company, setting forth the scope of authorization by signing and affixing such shareholder's seal on the proxy form for the representative to be present on such shareholder's behalf.

Except for trust enterprises or other stock transfer agencies approved by the securities authorities, if a person is designated as proxy by more than two shareholders, any of such person's voting rights representing in excess of 3% of the total issued and outstanding shares shall not be considered. The relevant matters related to the use and rescission of the proxy shall be conducted in accordance with the Company Act.

Article 10 Directors shall be elected by adopting candidates' nomination system. In these articles, the directors mean including independent directors.

Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation or the preferred share with no voting rights issued by the Company.

#### **Chapter 4 Directors and Audit Committees**

Article 11 The Company shall have seven to eleven directors. The term for which a Director will hold office shall be three (3) years. The directors shall be elected from among the list of candidates for directors by the Shareholders' Meeting and are eligible for re-election. The total shares held by the entire body of either directors shall not be less than a specified percentage in accordance with the regulation prescribed by the Competent Authority. A company shall have at least three Independent Directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, methods of nomination and election, and other matters for compliance with respect to Independent Directors shall be followed in accordance with the Rules for election of Directors and relevant laws.

Article 11-1 The Company may take out liability insurance for the directors with respect to the liabilities resulting from exercising their duties during their terms of office. The Board is authorized to determine the compensation for the directors, taking into account the extent and value of the services provided for the Company's operation and with reference to the standards of local and overseas industry.

Article 11-2 The Company shall set up the Audit Committee organized by all of the independent directors in accordance with the Securities and Exchange Act. The composition of the audit committee, duties, rules of meeting procedure and other compliance matters shall comply with the regulations prescribed by the securities supervisory authorities

Article 12 The Board of Directors is organized by directors. The Chairman of the Board of Directors shall be elected from among the attending directors by a majority vote and with the attendance over two thirds of the seats in a meeting of the Board of Directors. As necessary, a Vice Chairman may be elected among the attending directors in the same manner. The Chairman of the Board shall externally have the authority to represent the Company.

Article 13 In case the Chairman of the Board asks for leave or for other reason cannot exercise his power and authority, he may appoint another director to represent him by proxy in accordance with Article 208 of the Company Act. Where a director is unable to attend a meeting of the Board, he may appoint another director to represent him by proxy. Each director may act as a proxy for one other director only. The meeting of the Board of Directors shall be convened in accordance with the Company Act. In calling a meeting of the Board of Directors, a notice may be given to each director by means of electronic mail or facsimile.

#### **Chapter 5 Managerial Officer**

Article 14 The Company may appoint a multiple number of managerial officers whose appointment, dismissal and compensations shall be conducted in accordance with the Company Act.

#### **Chapter 6 Accounting**

Article 15 After the close of each fiscal year, the Board of Directors shall provide and submit the following reports to the shareholders' meeting for acceptance in accordance with the legal procedures.

1. Business Report 2. Financial Statement 3. Proposals regarding earning distribution or loss offsetting

It shall be not later than the 30th day prior to the ordinary shareholders meeting and the Audit Committee submit the report to the shareholders at the ordinary shareholders meeting for their acceptance.

Article 16 The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.

The Company may allocate employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.

Article 16-1 If after the annual closing of books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the 10% legal reserve and recognize or reverse special reserve return earnings in accordance with laws and regulations.

The Board may set aside certain percentage of the proposal for retained earnings distribution. Where there is remainder balance, together with the undistributed profits of previous years, as the earnings available for distributing to common and preferred shareholders, the Board shall propose the earnings distribution plan and submit to the Shareholders' Meeting for approval by resolution before the distribution.

The rights, obligations and distribution sequence of the Company's preferred share is executed in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

Where the aforesaid earnings distribution plan or dividend on preferred share is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

Article 16-2 The Company may distribute new shares or cash by way of legal reserve or capital reserve in accordance with Article 241 of the Company Act.

Where the means of cash is performed in the preceding paragraph, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

Article 17 The Company is in a technology-intensive and capital-intensive technology industry at a developing stage coordinating with long-term capital planning and taking into account the shareholders' cash flow requirement, the Company's dividend policy is to pay dividends from surplus considering factors to improve the growth and sustainable operation of the Company.

Dividend distribution is to consider the expanding the scale of operations and cash flow requirements in the future. When the Company has a profit at the end of each fiscal year and the retained earnings available for distribution of the current year reaches 2% of the paid in capital of the Company, no less than 10% of the retained earnings available for distribution of the current year shall be distributed as dividend. Every year the cash portion of the dividend shall not be less than 10% of the total dividend in the form of cash and stock.

## **Chapter 7 Supplementary Provisions**

Article 18 With regard to the matters not provided for in these Articles of Incorporations, the Company Act shall govern.

Article 19 These Articles of Incorporation were enacted on March 23, 1984, and  
amended on March 29, 1984 for the first time,  
amended on April 1, 1984 for the second time,  
amended on November 5, 1984 for the third time,  
amended on October 16, 1986 for the forth time,  
amended on May 10, 1987 for the fifth time,  
amended on June 19, 1987 for the sixth time,  
amended on March 24, 1989 for the seventh time,

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amended on June 15, 2016 for the Fortieth time,  
amended on June 21, 2019 for the Forty-first time.  
amended on June 19, 2020 for the Forty-second time.  
amended on August 27, 2021 for the forty-third time.  
amended on May 30, 2022 for the forty-four time.  
amended on May 29, 2023 for the forty-fifth time.

## Shareholding of Directors

The Company has issued capital of the Company is NT\$19,667,819,580 representing 1,966,781,958 common shares. According to Article 26 of the Securities and Exchange Act, the minimum number of shares that shall be held by all directors of the company is 47,202,766.

As of February 14, 2024, the number of shares held by all directors is 336,873,048 shares, accounts for 17.12% of the total shares. The actual collective shareholding of directors was shown as below:

Title	Name	No. of Shareholding	Shareholding %
Chairman	Chi-Hong (Peter) Chen	1,034,455	0.05
Director	AU Optronics Corp. (Representative: Shuang-Lang (Paul) Peng)	335,230,510	17.04
Director	AU Optronics Corp. (Representative: James CP Chen)	335,230,510	17.04
Director	BenQ Foundation (Representative: Han-Chou (Joe) Huang)	608,083	0.03
Independent Director	Lo-Yu (Charles) Yen	-	-
Independent Director	Jyuo-Min Shyu	-	-
Independent Director	Liang-Gee Chen	-	-
Independent Director	Chiu-Lien Lin	-	-
Independent Director	Shu-Chun Huang	-	-
Total		336,873,048	17.12