

# **ARTICLES OF INCORPORATION OF Holtek Semiconductor Inc.**

## **Section 1 General Provisions**

### **Article 1**

The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 盛群半導體股份有限公司 in the Chinese language, and HOLTEK SEMICONDUCTOR INCORPORATION in the English language.

### **Article 2**

The business scope of the company shall be as follows:

- CC01080 : Electronic Parts and Components Manufacturing;
  - F401010 : International business;
  - I501010 : Product Designing;
1. Research, design, development, production and marketing of the following products:
    - (1) MCUs and Peripheral ICs
    - (2) Other Application-Specific ICs related to the above mentioned ICs
    - (3) Derivative products related to the above mentioned ICs
  2. Import and export trade for the above mentioned products.

### **Article 3**

The Company shall have its head-office in Hsinchu Science Park and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.

### **Article 4**

The Company may provide endorsement and guarantee to other companies. The process should be processed in accordance with the Company's Procedures for Endorsements/ Guarantees.

### **Article 5**

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital 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.

## **Section 2 Shares**

### **Article 6**

The total capital stock of the Company shall be in the amount of 3 billion New Taiwan Dollars, divided into 0.3 billion shares at NT\$10 par value each share, and may be paid-up in installments. The Company may issue shares from time to time in accordance with the resolutions of the Board

of Directors. Two hundred million New Taiwan Dollars of the total capital stock shall be divided into 20 million shares at NT\$10 par value for each share. A total of 20 million shares of the above total capital stock should be reserved for issuing stock options.

#### **Article 6-1**

For issuing employee stock warrants where the exercise price is restricted below the close price of common shares is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.

For transferring shares to its employees where the transferred price is below the buyback average price, it shall be decided by a resolution to be adopted by a two-thirds or more vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the company.

#### **Article 7**

The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature the representative of the Company, and issued after duly authentication pursuant to the law.

For the new shares to be issued to the public by the Company, the issuing company may be exempted from printing any share certificate for the shares issued or the issuing company may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue.

#### **Article 8**

Registration for transfer of shares shall all be suspended 60 days before the convocation of any regular shareholders' meeting, 30 days before the convocation of special shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.

#### **Article 9**

All stock operations conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

### **Section 3 Shareholders' Meeting**

#### **Article 10**

Shareholders' meeting shall be of two types, namely annual and special shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year. Special shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations of the Republic of China.

When the Company holds a shareholder meeting, it should be held by video conference or other

methods announced by the central competent authority.

When convening a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing will be deemed to have attended the meeting in person.

#### **Article 11**

In case a shareholder is unable to attend a shareholders' meeting, he/she may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for the representative to be present on his/her behalf, in accordance with the Company Act and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

#### **Article 12**

Each share is entitled to one voting right, except shares held under regulation of Article 179 of the Company Act, which have no voting rights.

#### **Article 13**

Except as regulated in the Company Act of the Republic of China, shareholders' meetings may 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.

### **Section 4 Directors and Audit Committee**

#### **Article 14**

The Company shall have seven to nine directors to be elected at a shareholders' meeting through nominating system from persons of legal capacity to serve a term of three years. A director may be re-elected.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors. The Company shall appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors in accordance with the Article 14-2 of the Securities and Exchange Act.

Independent directors' qualification, the limitations of shareholding and concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws.

The Company may purchase liability insurance for its directors. The insurance coverage is authorized by the Board of Directors for resolution.

#### **Article 15**

The Board of Directors shall be organized by directors. The Chairman of the Board shall be elected by majority of directors present at a meeting attended by more than two-thirds of directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

#### **Article 16**

The total shares of nominal stocks held by the entire body of directors of the Company shall be regulated in Regulations of the minimum percentage to be held by the directors, and the examination of such holding shall be prescribed by an order from the Competent Authority.

#### **Article 17**

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, except under conditions regulated by the Company Act and the Regulations Governing Procedure for Board of Directors Meetings for holding the Meeting if emergency occurred. Directors may be notified of the Board of Directors meeting via written notice such as E-mail or fax.

#### **Article 18**

If, for any reason, the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority, its representatives policy shall be regulated by the Article 208 in the Company Act.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may appoint another director to attend as their proxy. A proxy under paragraph 2 may accept a proxy from one person only.

#### **Article 19**

The Board of Directors is authorized to determine the compensation for the all directors, according to involvements and contributions to the Companies' operation. The compensation is restricted by the highest level of the Regulations for the Compensation of the Company. The Company shall pay the compensation regulated by Article 24, if it has profits.

#### **Article 20**

The Board of Directors shall have the following functions and responsibilities:

1. Examination and review of operational policy and medium and long-term development plans.
2. Review of and supervision over execution of annual business plans.
3. Approval of budget and examination of the final settlement of account.
4. Examination of capital increase/decrease plans.
5. Examination of earnings distribution or loss making up programs.
6. Examination and approval of important contracts.
7. Approval of organizational by-laws and important business rules.
8. Decision in establishment, reorganization or removal of branch offices.
9. Approval of major capital expenditure plans.
10. Appointment and discharge of included Vice Presidents or above.
11. Other matters to be handled in accordance with the Company Act and related laws.

#### **Article 21**

The Committee shall be composed of the entire number of independent directors. Matters concerning the number, term of office, powers and rules of procedure for meetings when the Audit Committee exercises its powers shall be handled in accordance with the Audit Committee Charter.

## **Section 5 Managers**

### **Article 22**

The Company may have one President and several managers, whose appointments, discharge, and remunerations shall be subject to provisions in the Company Act.

## **Section 6 Accounting**

### **Article 23**

After the close of each fiscal year, in accordance with the Company Act, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance.

1. Business report.
2. Financial statements.
3. Surplus earnings distribution or loss make-up proposal.

### **Article 24**

If the Company generates profit in a given fiscal year, it shall allocate 5% to 15% of such profit as employee compensation (of which no less than 1% shall be distributed to grassroots employees), and up to 1.5% as directors' remuneration. However, if the Company has accumulated losses, the profit shall first be reserved to offset such losses.

The recipients of employee compensation may include employees of the Company's subsidiaries who meet certain criteria as set by the Board of Directors.

### **Article 24-1**

If the Company has profit as a result of the yearly accounting closing, the Company shall first pay taxes, offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, then set aside special capital reserve in accordance with relevant laws or regulations or as requested by business. Any rest balance, added to the accumulated undistributed earnings in previous years, the Board of Directors shall be allocated according to shareholders' meeting resolution.

The amount of dividends distributed to shareholders shall be no less than 50% of the distributable earnings of the year concerned and no less than 50% of the shareholder's dividends shall be in the form of cash.

## **Section 7 Additional Rules**

### **Article 25**

In regard to all matters not provided for in the Company's Articles of Incorporation, the Company Act of the Republic of China and other regulations shall govern.

### **Article 26**

These Articles of Incorporation were resolved on September 7, 1998. The first amendment was made on November 30, 1998, the second amendment on June 10, 1999, the third amendment on

April 5, 2000, the fourth amendment on March 2, 2001, the fifth amendment on April 17, 2002, the sixth amendment on June 9, 2003, the seventh amendment on June 1, 2004, the eighth amendment on June 13, 2005, the ninth amendment on September 18, 2006, the tenth amendment on June 11, 2007, the eleventh amendment on June 13, 2008, the twelfth amendment on June 10, 2009, the thirteenth amendment on June 15, 2010, the fourteenth amendment on June 12, 2012, the fifteenth amendment on June 9, 2015, the sixteenth amendment on May 27, 2016, the seventeenth amendment on May 26, 2017 and the eighteenth amendment on May 29, 2019. The nineteenth amendment on May 24, 2023. The twentieth amendment on May 29, 2024. The twenty-first amendment on May 28, 2025.

**Holtek Semiconductor Inc.**

**Chairman   Wu, Chi-Yung**