

**ARTICLES OF INCORPORATION  
OF  
GROUNDHOG INC.**

**Last Amendment Date: August 04, 2022**

**Notice To Readers**

This English version is a machine-translated of Chinese version and is not an official document of Groundhog Inc. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

## **Section I   General Provisions**

**Article 1**           The Company is organized in accordance with the Company Act and named Groundhog Inc. (hereinafter referred to as “the Company”.)

**Article 2**           The scope of business of the Company is as follows:

- (1)   I301010    Software Design Services.
- (2)   I301020    Data Processing Services.
- (3)   I301030    Digital Information Supply Services.
- (4)   F118010    Wholesale of Computer Software.
- (5)   F218010    Retail Sale of Computer Software.
- (6)   F119010    Wholesale of Electronic Materials
- (7)   F219010    Retail Sale of Electronic Materials
- (8)   F113070    Wholesale of Telecom Instruments.
- (9)   F213060    Retail Sale of Telecom Instruments.
- (10) F401010    International Trade.
- (11) ZZ99999   All business items that are not prohibited or restricted by law, except those that are subject to special approval.

**Article 3**           The Company is headquartered in Taipei City and may establish branches at proper locations at home and abroad as resolved by the Board of Directors and approved by the competent authority when necessary.

**Article 4**           The Company's announcement methods shall be conducted in accordance with the provisions of Article 28 of the Company Act.

**Article 5**           The Company, for business requirements, may provide endorsements and guarantees to external parties, and the procedures for such operations shall be carried out in accordance with the Company's endorsement and guarantee operation procedures.

The Company’s total amount of investment in other businesses is not subject to the limitation of 40% of the Company’s paid-in capital.

## **Section II Shares**

**Article 6** The total capital stock of the Company shall be in the amount of 500,000,000 New Taiwan Dollars, divided into 50,000,000 shares, at ten New Taiwan Dollars each, and such shares can be issued in separate installments.

The Company may issue employee stock options from time to time with authorization from Board of Directors. A total of 5,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.

**Article 7** The shares issued by this company shall be registered shares, issued upon the signature or seal of a director representing the Company and certified by a bank legally authorized to act as a stock issuance certifier.

The Company may issue shares in a non-printed form, provided that they are registered with a securities central depository institution, and the issuance of other valuable securities shall follow the same procedure.

**Article 8** All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an annual general meeting of shareholders, or for 30 days prior to an extraordinary general meeting of shareholders, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

**Article 8-1** The shareholders of the Company shall process the shareholder services in accordance with the “Regulations Governing the Administration of Stock Affairs of Public Companies” announced by the competent authority in addition to the relevant securities laws and regulations.

**Article 9** The Company may repurchase treasury stocks in accordance with the Company Act. The transferees shall include employees of subsidiary companies who meet certain conditions.

Stock option certificates shall be issued to certain employees, including those who meet certain conditions in subsidiary companies.

Employees eligible to subscribe to shares when the Company issues new shares shall include those who meet certain conditions in subsidiary companies.

The recipients of restricted stock options for employees shall include those who meet certain conditions in subsidiary companies.

### **Section III Shareholders' Meeting**

**Article 10** Shareholders' meetings of the Company are of two kinds: general meetings and extraordinary general meetings. The general meeting is convened annually within six months from the close of the fiscal year. Extraordinary meetings may be convened in accordance with applicable laws and regulations whenever necessary.

Unless otherwise provided by the Company Act, the general meetings of shareholders shall be convened by the board of directors. The procedures for convening the general meetings of shareholders shall be in accordance with Article 172 of the Company Act.

**Article 10-1** When the shareholders of the Company hold a meeting, the video conference or other methods approved by Ministry of Economic Affairs shall be a detailed video conference.

**Article 11** (Removed)

**Article 12** A shareholder unable to attend the shareholders' meeting in person may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy, which shall be signed and chopped by the shareholder.

The method of proxy attendance by shareholders of the Company, except as provided by the Company Act, shall be conducted in accordance with the "Rules for the Use of Proxy Forms at Shareholders' Meetings of Public Issuing Companies" issued by the competent authority.

After being listed on TWSE (or TPEX), the Company shall include electronic means as one of the channels for exercising voting rights, and the method of exercising such rights shall be specified in the notice of the general meetings of shareholders.

**Article 13** Unless otherwise regulated by the laws, each shareholder of the Company is entitled to one vote per share.

**Article 14** Except as otherwise provided by the Company Act, resolutions of a shareholders' meeting shall be adopted at a meeting attended by

shareholders representing a majority of the total number of issued shares and at which meeting a majority of the shareholders vote in favor of such resolutions.

**Article 14-1** Resolutions of the Company's shareholder meetings shall be recorded in meeting minutes.

The preparation, distribution, and retention of the aforementioned meeting minutes shall be carried out in accordance with the relevant provisions of Article 183 of the Company Act.

**Article 15** (Removed)

## **Section IV Directors**

**Article 16** The Company shall have five to nine directors to be elected from persons having legal capacity at a shareholders' meeting. Each director shall hold office for a term of three years and is eligible for re-election.

The number of independent directors, among the aforementioned number of directors, shall be no less than three, and shall be no less than one fifth of the total number of directors.

Election of independent directors shall adopt the candidate nomination measure, and independent directors shall be elected from among the list of candidates for independent directors by the shareholders' meeting.

Matters regarding professional qualification, restrictions on shareholdings, concurrent positions held and other matters for compliance with respect to independent directors shall be subject to the rules prescribed by the securities governing authorities.

In accordance with the regulations stipulated in Article 14-4 of the Securities and Exchange Act, the Company establishes an Audit Committee, which shall be composed of all independent directors. The Audit Committee or its members are responsible for overseeing compliance with the Company Act, Securities and Exchange Act, and other statutory requirements.

Matters related to the number, term, powers, and rules of procedure of the Audit Committee shall be determined in accordance with the regulations of the "Exercise of Powers by Audit Committees of Public Issuing Companies," and may be

separately stipulated in the Audit Committee's organizational regulations.

Following the listing of the Company's shares on TWSE (or TPEX), director elections shall be conducted through a candidate nomination system.

**Article 17** The Board of Directors shall be composed of directors, and with the attendance of two-thirds or more of the directors and the consent of the majority of attending directors, a Chairman of the Board shall be elected, who shall represent the Company externally.

**Article 18** The convening of the Board of Directors shall specify the reasons and notify all directors at least seven days in advance. In cases of emergency, the meeting may be called at any time. The Board of Directors of the Company may be convened in writing or electronically.

**Article 19** (Removed)

**Article 20** Resolutions of the Board of Directors, unless otherwise stipulated by the Company Act, shall require the presence of more than half of the directors and the consent of the majority of attending directors.

When a director is on leave or unable to attend a Board of Directors meeting for some reason, they may provide a written authorization specifying the scope of authorization and the reason for convening, and appoint another director to attend on their behalf, but such authorization is limited to one person.

When the Board of Directors holds a meeting through video conferencing, directors who participate via video are considered to be personally present.

**Article 21** When the Chairman of the Board is on leave or unable to perform their duties for some reason, their substitute shall act in accordance with the regulations stipulated in Article 208 of the Company Act.

**Article 22** The compensation of all directors shall be determined by the Board of Directors, taking into account their level of involvement in the Company's operations and their contribution, as well as industry standards.

During their term, directors may be required by law to assume liability within their scope of duties. The Company may resolve to

purchase liability insurance for them through the Board of Directors.

## **Section V Managerial Officers**

**Article 23** The Company may appoint managerial officers, and their appointment, dismissal, and compensation shall be handled in accordance with Article 29 of the Company Act.

## **Section VI Accounting**

**Article 24** The Company's fiscal year runs from January 1st to December 31st each year. After the end of each fiscal year, the Board of Directors shall follow procedures governed by relevant regulations to submit the following reports and statements to the shareholders at annual general meeting of shareholders for their recognition:

- (1) Report of operations;
- (2) Financial Statements; and
- (3) Proposal for distributing earnings or covering losses.

**Article 25** In the event of a profit for the fiscal year, the Company shall allocate no less than 5% for employee remuneration and no more than 1% for director remuneration. However, if the Company has accumulated losses, an amount shall be reserved in advance for compensation.

Employee remuneration as mentioned in the preceding paragraph may be in the form of stocks or cash, and the recipients include employees of subsidiary companies who meet certain conditions.

**Article 26** If there is a surplus in the Company's annual consolidated financial statements, taxes shall be paid first, followed by compensation for accumulated losses, and then 10% shall be set aside as legal retained earnings. However, when the legal retained earnings have reached the Company's paid-in capital, there is no need to set aside further. Additionally, any remaining surplus, along with undistributed profits at the beginning of the period, shall be proposed by the Board of Directors to the Shareholders' Meeting for the distribution of dividends to shareholders.

The Company's dividend policy is based on factors such as the Company's profitability, capital structure, and future operational needs. Annually, no less than 10% of distributable profits shall be allocated to distribute dividends to shareholders. Dividends to shareholders may be distributed in cash or stock, with the principle that the proportion of cash dividends to shareholders shall not be less than 10% of the total shareholder dividends.

## **Section VII Supplemental Provisions**

**Article 27** The Company's organizational regulations and operational procedures shall be determined separately by the Board of Directors.

**Article 28** In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

**Article 29** These Articles of Incorporation are agreed to and signed on January 1, 2019.

The first amendment was approved on May 22, 2020.

The second amendment was approved on June 30, 2020.

The third amendment was approved on August 31, 2021.

The fourth amendment was approved on August 4, 2022.