

Advanced Ceramic X Corporation

Articles of Incorporation

Section One – General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be Advanced Ceramic X Corporation.

Article 2

The Company scope of business is as follows:

1. F219010 Electronic materials retail sales.
2. F113070 Wholesale of Telecom Instruments
3. F119010 Electronic materials wholesale trading.
4. CC01050 Data storage and processing equipment manufacturing.
5. CC01070 Wireless communication machinery and equipment manufacturing.
6. CC01080 Electronic parts and components manufacturing.
7. F213060 Retail Sale of Telecom Instruments
8. ZZ99999 In addition to licensed businesses, the Company may operate any other businesses that are not prohibited or restricted by law.

Article 3

The Company is headquartered in Hsinchu Hsien, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.

Article 4

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Section Two – Capital Stock

Article 5

The authorized capital of the Company is NT \$1.5 billion, representing 150 million common shares at a par value of NT \$10 per share. The board of directors is authorized to issue the unissued shares in installments. NT \$90 million of the aforementioned capital is reserved as 9 million shares worth of stock subscription warrants, to be issued to employees in installments pursuant to the resolution by the board of directors.

Article 6

The total amount of the Corporation's reinvestment shall not be subject to the restriction in Article 13 of the Company Act.

Article 7

The share certificates of the Company shall all be name-bearing share certificates. If the Company decides to print share certificates for shares issued, the share certificates shall be signed by or affixed with the seals of at least three Directors, and authenticated by the competent

authorities of the government or the certification organization. The Company may be exempted from printing share certificates if the shares are registered with a domestic securities depository enterprise.

The Company equity affairs shall follow “Regulations Governing the Administration of Shareholder Services of Public Companies”, relevant laws, rules and regulations of the Republic of China.

Section Three – Shareholders’ Meeting

Article 8

There are two types of company shareholders’ meeting: (1) regular meetings – which shall be convened by the Board of Directors within 6 months after the close of each fiscal year, and (2) special meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

Article 9

The shareholders’ meeting shall be presided over by the Chairman of the Board of Directors of the Company. In their absence, the Chairman shall appoint a deputy to act in their place; otherwise, one Director shall be designated to preside over the shareholders’ meeting. If the shareholders’ meeting is convened by a person other than a member of the Board of Directors, the shareholders’ meeting shall be chaired by that convener. If there are two or more conveners for the shareholders’ meeting, one of them shall be elected to chair the meeting.

Article 10

Written notices shall be sent to all shareholders for the convening of shareholders’ meetings at least 30 days in advance for regular meetings; and at least 15 days in advance for special meetings. The meeting date, venue and the purpose(s) for convening such shareholders’ meeting shall be clearly stated in the meeting notices.

The notice may be given as a means of electronic transmission after obtaining a prior consent from the recipients thereof. The notice shall indicate the meeting date, meeting place, and the reason for convening the meeting. Shareholders holding less than 1000 shares shall be notified of the shareholders’ meeting by public notice.

Article 11

If a shareholder is unable to attend a shareholders’ meeting, he/she may appoint a representative to attend it, with a Shareholder Proxy Form issued by the Company, in accordance of the Company Act of the Republic of China, and the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 12

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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. Shareholders of the Company can vote through the electronic voting system, the details of which shall be handled in accordance with relevant laws and regulations.

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The distribution of the minutes above may be disclosed to the shareholders through a public notice.

Article 13-1

The Company may apply for an approval of ceasing its status as a public company by shareholders' meeting for review and approval. The present Article shall remain unchanged during the Company's listing in emerging, OTC, and stock exchange markets.

Article 13-2

The Company may transfer stock to employees at a price that is lower than the actual average price of the shares, or the Company may issue employee stock options at a price that is lower than the common stock closing price of the issue date, pursuant to a resolution approved by the majority of total issued shares represented at the shareholders' meeting and the consent of more than two-thirds of the attending shareholders' voting rights.

Section Four – Directors

Article 14

The Company shall have five to eleven Directors. The Board of Directors must have at least three independent directors. Directors shall be elected in the shareholders' meetings. The term of office for Directors shall be three years, and shall be eligible for re-election.

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The company directors shall be elected by adopting candidates nomination system. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Act and Securities and Exchange Law. The independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

The company total number of shares that all Directors shall hold should be in accordance with the requirements of the competent authorities.

Article 15

The Board of Directors shall be formed by elected Directors and shall have the following responsibilities:

1. Preparing business plans.
2. Proposing allocation plans of earnings or proposals to recover loss.
3. Proposing plans for increasing or decreasing capital.
4. Drafting important rules and contracts.
5. Appointing or discharging the Company's management.
6. Setting up or dissolving branches.
7. Compiling Budget Reports and Final Reports.
8. Performing other duties authorized by the Company Act or shareholders' meeting.

Article 16

The Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

Article 16-1

Meetings of the Board of Directors shall be called once per quarter, seven days prior to the convening of a meeting of the Board of Directors, notice shall be sent to all directors, specifying the reasons for calling the meeting, though in emergency situations, a meeting may be called whenever necessary. Notice of the convening of a meeting described in the preceding paragraph may be in writing, by fax or by e-mail notification thereof.

Article 17

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, unless otherwise regulated by the Company Act. Except as otherwise provided in the Company Act of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting.

Article 18

Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors of the Company. In their absence, one of the Directors appointed by the Chairman shall preside over the meeting. When a Director is unable to attend the Meeting of the Board of Directors, he may appoint another Director to attend on their behalf, but no Director may act as proxy for more than one other Director.

Article 19

In Accordance of the Securities and Exchange Act, the Company shall establish an audit committee comprising of all independent directors. The exercise of authority of the audit committee and other compliance requirements are stipulated by the Company Act, Securities and Exchange Act, and the Company's Articles of Incorporation.

Article 20

Irrespective of whether the Company makes profits or incurs losses, remunerations of all directors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution, and taking into account the common remuneration level in the same industry.

If the directors hold other positions at the Company, in addition to the remuneration distributed pursuant to Article 25 hereof, monthly payment of salary based on the standard of general managers may also be granted.

The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

Section Five – Management of the Company

Article 21

The Company shall appoint one President, and several Management. The appointment, discharge, and compensation of the Management shall be in accordance with Article 29 of the Company Act.

Article 22

The President is responsible for managing all business at the Company in accordance with Board of Directors.

Section Six – Financial Reports

Article 23

The Company's fiscal year shall be from January 1st of each year to December 31st of the same year. After the close of each fiscal year, the Company shall prepare final accounts for that year.

Article 24

After the close of each fiscal year, in accordance with the Company Act, Article 228, 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. Proposal Concerning Appropriation of Net Profits or Covering of Losses.

Article 25

If there is any profit for a specific fiscal year, the Company shall allocate at a maximum of 1.5% of the profit as remuneration to Directors and shall allocate no less than 5% of the profit as employees' compensation, provided that the Company's accumulated losses shall have been covered in advance.

In this Article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

Employee's compensation may be distributed in the form of shares or in cash, and employees

qualified to receive such compensation may include employees from affiliates companies who meet certain qualification.

Article 26

When allocating the net profits for each fiscal year, the following order shall be followed:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total authorized capital, this provision shall not apply.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the board of directors is authorized to draft a appropriation plan in accordance with the dividend policy in this Article Section 2.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the entire distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

Section Seven – Supplementary Provisions

Article 27

The Company shall not be endorsement and guarantee for business and investment relation.

Article 28

Matters not provided in these Articles of Incorporation shall be conducted pursuant to the Company Act of the Republic of China.

Article 29

These Articles of Incorporation were resolved on April 7, 1998.

The first amendment was made on June 25, 1999, the second amendment on February 21, 2000, the third amendment on April 19, 2002, the fourth amendment on April 29, 2005, the fifth amendment on April 19, 2006, the sixth amendment on September 13, 2006, the seventh amendment on May 9, 2007, the eighth amendment on June 16, 2008, the ninth amendment on June 10, 2009, the tenth amendment on June 17, 2010, the eleventh amendment on June 18, 2012, the twelfth amendment on June 25, 2013, the thirteenth amendment on May 29, 2014, the fourteenth amendment on June 29, 2016, and the fifteenth amendment on June 19, 2018.