



Approved by the Ordinary Shareholders Meeting 15 June 2011

HTC Corporation  
Articles of Incorporation

Chapter I General Provisions

Article 1

This Company, organized under the Company Act as a company limited by shares, shall be named HTC Corporation. (hereinafter, "the Company").

Article 2

The scope of business of the Company is as follows:

1. CC01080 Electronic Parts and Components Manufacturing.
2. CC01101 Controlled Telecommunications Radio Frequency Equipment and Materials Manufacturing.
3. CC01110 Computers and Computing Peripheral Equipment Manufacturing.
4. C805050 Industrial Plastic Products Manufacturing.
5. CC01120 Data Storage Media Manufacturing and Duplicating.
6. E605010 Computing Equipment Installation.
7. E701040 Basic Telecommunications Equipment Construction.
8. E701020 Satellite Television Equipment and Materials Installation for Channels KU and C.
9. E701030 Controlled Telecommunications Radio Frequency Equipment and Materials Installation and Construction
10. F113030 Wholesale of Precision Instruments.
11. F113050 Wholesale of Computing and Business Machinery Equipment.
12. F113070 Wholesale of Telecommunications Equipment.
13. F118010 Wholesale of Computer Software.
14. F119010 Wholesale of Electronics Materials.
15. F213030 Retail sale of Computing and Business Machinery Equipment.
16. F213040 Retail Sale of Precision Instruments.
17. F213060 Retail Sale of Telecommunications Equipment.
18. F218010 Retail Sale of Computer Software.
19. F219010 Retail Sale of Electronics Materials.
20. F401010 International Trade.
21. F401021 Controlled Telecommunications Radio Frequency Equipment and Materials Import.



22. G801010 Warehousing and Storage.
23. I301010 Software Design Services.
24. I301020 Data Processing Services.
25. I301030 Digital Information Supply Services.
26. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### Article 2~1

The Company may act as a guarantor and may invest in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-in capital set out in Article 13 of the Company Act.

#### Article 3

The Company is headquartered in Taoyuan County, Taiwan and when necessary may establish branches at home and abroad as resolved by the board of directors.

#### Article 4

Deleted.

### Chapter II Shares

#### Article 5

The authorized capital of the Company is NT\$ 10 billion consisting of 1 billion, shares, all of common stock, with a par value of NT\$10 per share. The Board of directors is authorized to issue the shares in separate installments as required. Among these shares, 16 million shares are reserved for the holders of stock warrants, preferred shares with warrants, or corporate bonds with warrants to exercise their stock warrants.

#### Article 5~1

In the event that the Company becomes duly entitled to purchase back its own shares, the board of directors is authorized to do so in accordance with laws and regulations.

#### Article 6

Deleted.

#### Article 7



The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority or a registration institution authorized thereby before issuance.

Shares issued by the Company need not be in certificate form, but shall be registered with a securities depository enterprise.

#### Article 8

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

### Chapter III Shareholders Meeting

#### Article 9

Shareholders meetings of the Company are of two kinds: ordinary shareholders meetings and extraordinary shareholders meetings. The ordinary shareholders meeting is called once per year within six months from the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.

#### Article 10

For any shareholders meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy. Shareholder attendance by proxy shall be subject to the Company Act and also to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the competent authority.

#### Article 11

Each shareholder of the Company is entitled to one vote per share, except under circumstances in which shares have no voting power as set out in Article 179 of the Company Act.

#### Article 12

Unless otherwise provided by applicable law or regulation, a resolution of the shareholders meeting shall be adopted by consent of a majority of the votes represented by those in attendance at a meeting attended, in person or by proxy, by shareholders who represent a majority of the total issued shares.



## Chapter IV Directors and Supervisors

### Article 13

The Company shall have five to seven directors and three supervisors, to be elected by the shareholders meeting from among candidates with legal capacity. The term of office is three years, and they may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors and supervisors shall comply with the regulations prescribed by the securities supervisory authorities.

### Article 13-1

To harmonize with Article 183 of the Securities and Exchange Act, there shall be at least two independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the directors seats. A candidate nomination system shall be adopted, and the shareholders meeting shall elect independent directors from among the those listed on the slate of independent director candidates. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors.

### Article 14

The board of directors shall consist of the directors of the company, and the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters.

Directors shall attend meetings of the board of directors in the preceding paragraph in person. In the event that a board of directors meeting is held through video conference, a director who participates in the meeting by means of video system shall be deemed to have attended in person. If a director is unavailable to attend a meeting in person, the director may issue a power of attorney for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

### Article 14-1

Each director and supervisor shall be given at least 7 days advance notice of the convening of a



board of directors meeting of the Company. In emergency circumstances, however, a meeting may be called on shorter notice.

The meeting notice referred to in the preceding paragraph shall specify the reasons for convening the meeting, and shall be made in writing, by e-mail, or by facsimile.

#### Article 15

If the chairman of the board of directors is on leave or cannot exercise powers or perform duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act.

#### Article 16

When the Company's directors and supervisors perform Company duties, the Company may pay remuneration regardless of whether the Company operates at a profit or loss. The board of directors is authorized with powers to resolve the rates of such remuneration based on the extent of their participation in the Company's business operations or value of their contribution, at a level consistent with general practices in the industry. If the Company operates at a profit, they also may allocate remuneration in accordance with Article 20.

The company may acquire liability insurance for all directors and supervisors, within the scope of the indemnity liability they bear under law in connection with their business responsibilities, throughout their term to minimize and disperse the risk of material loss or damage to the company and shareholders as a consequence of any illegal act .

### Chapter V Managerial Officers

#### Article 17

The Company may have managerial officers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

### Chapter VI Accounting

#### Article 18

At the end of each fiscal year, the board of directors shall prepare the following documents, which shall be submitted to the supervisors for auditing 30 days prior to the ordinary shareholders meeting, and submitted to the shareholders' meeting for approval:

1. Business report;



2. Financial report;
3. Proposal for allocating profit or covering loss.

#### Article 19

Deleted.

#### Article 20

If the Company has earnings after the annual final accounting, it shall be allocated in the following order:

1. To pay taxes.
2. To cover accumulated losses, if any.
3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital.
4. To pay remuneration to directors and supervisors at 0.3% maximum of the balance after withholding the amounts under subparagraphs 1 to 3.
5. To pay bonus to employees at 5% minimum of the balance after withholding the amounts under subparagraphs 1 to 3, or such balance plus the unappropriated retained earnings of previous years. However, the bonus may not exceed the limits on employee bonus distributions as set out in the Regulations Governing the Offering and Issuance of Securities by Issuers. Where bonus to employees is allocated by means of new share issuance, the employees to receive bonus may include employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.
6. For any remainder, the board of directors shall propose allocation ratios based on the dividend policy set forth in paragraph 2 of this Article and propose them at the shareholders' meeting.

Because the Company is a technology and capital-intensive enterprise in its growing phase, the Company sets a policy to allocate dividends with consideration to factors such as the Company's current and future investment climate, demand for working capital, competitive environment at home and globally, capital budget, as well as the interests of the shareholders, balanced dividends, and long-term financial planning of the Company. Every year, the board of directors shall propose the allocation ratio and propose it at the shareholders' meeting. The earnings may be allocated in cash dividends or stock dividends, provided that the ratio of cash dividends may not be less than 50% of the total dividends.

#### Chapter Seven Bylaws

Article 21

Any matters insufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 22

These Articles of Incorporation were adopted on 10 May 1997.

The first amendment was made on 1 July 1997.

The second amendment was made on 26 February 1998.

The third amendment was made on 8 May 1998.

The fourth amendment was made on 22 October 1998.

The fifth amendment was made on 24 April 2000.

The sixth amendment was made on 23 April 2001.

The seventh amendment was made on 13 July 2001.

The eighth amendment was made on 14 March 2002.

The ninth amendment was made on 26 June 2003.

The 10th amendment was made on 16 June 2004.

The 11th amendment was made on 13 June 2005.

The 12th amendment was made on 2 May 2006.

The 13th amendment was made on 20 June 2007.

The 14th amendment was made on 13 June 2008.

The 15th amendment was made on 19 June 2009.

The 16th amendment was made on 18 June 2010.

[The 17th amendment was made on 15 June 2011.](#)